



i s p a c e

ispace inc.

Transcript of Financial Results Briefing for Q2 of Fiscal Year Ending March 2025

November 25, 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 Q2 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 second quarter of this fiscal year including mission progress, then, CFO Nozaki will give an overview of new financing and Q2 financial results.

Executive Summary

The slide features a vertical sidebar on the left with the 'ispace' logo. The main content area is titled 'Executive Summary of Q2 of Fiscal Year Ending March 2025' and contains four horizontal sections, each with a category on the left and a list of bullet points on the right. The sections are: 'Business Environment' (grey background), 'Our Development' (pink background), 'Our Business' (grey background), and 'Our Financials' (pink background). At the bottom, there are three footnotes: (1) International Astronautical Congress, (2) Memorandum of understanding, and (3) Interim Payload Service Agreement.

Category	Key Points
Business Environment	<ul style="list-style-type: none">Participated in the IAC⁽¹⁾, the world's largest space-related congress, to accelerate global customer development
Our Development	<ul style="list-style-type: none">Mission 2: Launch timing updated. Our preparation towards the launch is progressing smoothly; the lander will transport to the launch site soonMission 3: Ready to carry out consecutive commercial missionsMission 6: Development progressing smoothly. 1st deposit of SBIR program grants was completed
Our Business	<ul style="list-style-type: none">Signed MOUs⁽¹⁾ and iPSAs⁽²⁾ totaling \$99MM with 7 global entities, now aiming to move forward to final agreements
Our Financials	<ul style="list-style-type: none">Equity program agreement announced on Oct. 11 to secure sufficient funding for future missions

(1) International Astronautical Congress (2) Memorandum of understanding (3) Interim Payload Service Agreement

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

As for the current business environment, we participated in the International Astronautical Congress, the world's largest space-related event, held in Milan, Italy, in October.

We witnessed that many global players and experts in the space industry showed a stronger interest in the lunar exploration business compared to the previous year, and we accelerated networking with potential customers, which we believe will result in further global customer development.

As for our development, regarding Mission 2, SpaceX has defined an updated launch window. Now it is updated from "no earlier than December 2024" to "no earlier than January 2025". All of our preparations are proceeding smoothly, and the RESILIENCE lander will transport to Florida, the launch site, soon.

Mission 3 development continues to progress smoothly. U.S. entity recently announced the opening of mission control center in Denver, Colorado, getting ready for U.S.-based consecutive commercialization missions.

In Mission 6, we have received the first payment of SBIR program grants in September. PDR, Preliminary Design Review, for Series 3 lander to be used in this mission is also progressing smoothly.

As for sales progress, we signed new MOUs and iPSA totaling \$99 million USD with seven global companies.

As for recent financing, we announced a third-party allotment through an equity program on October 11 in order to secure sufficient funding for future missions.

That was the executive summary for the current quarter.

Business Highlight

Attended the 75th International Astronautical Congress (IAC) in Milan to accelerate global customer development



Our exhibition booth at IAC. At the back left is a full-scale mockup of the APEX 1.0 Lander



EU entity CEO Julien-Alexandre Lamamy giving presentation at the booth

- The IAC⁽¹⁾ is one of the **world's largest space-related events**, where global space agencies, companies, and universities gather
- U.S. entity revealed a full-scale mockup of APEX 1.0 Lander to be used in Mission 3, and EU entity exhibited TENACIOUS rover to be used in Mission 2 and gave presentations at the booth for diverse audiences
- During the congress, MOUs and iPSAs totaling \$99MM with 7 global entities were signed (see details in latter slides). **The groundwork has been laid for future payload and data demands**

(1) <https://www.iafastro.org/events/iac/>

Takeshi Hakamada: I will now explain details for our business highlights.

First, about the business environment.

In October, we participated in the 75th International Astronautical Congress, called IAC, held in Milan, Italy.

The IAC is known for the world's largest space-related congress where many space agencies, global players in the industry, and universities all gather. And according to the organizer, this year's IAC, which celebrated its 75th anniversary, attracted a total of 11,200 participants from 120 countries, making it the largest congress ever.

At the IAC, we exhibited a full-scale mockup of the APEX 1.0 lander to be used in Mission 3 for the first time, as well as the TENACIOUS rover to be used in Mission 2. We were very pleased to see many people visited our booth and showed a high level of interest in the business and expectations towards our missions.

Since the congress attracted numerous global experts and players, we signed various MOUs and iPSA during the conference. We truly feel that the groundwork has been laid for our future payload and data demands. We will explain each of these agreements in the latter slides.

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Received “IAF Excellence in Industry Award”⁽¹⁾ at IAC, recognizing ispace’s Mission 1 as one of successfully executing landmark space missions



From left to right: Geraldine Naja, IAF, Tory Bruno, CEO of ULA & award recipient, Takeshi Hakamada, Founder & CEO of ispace & award recipient, Carlo Mirra, IAF.

(1) <https://www.iafastro.org/activities/honours-and-awards/iaf-excellence-in-industry-award/>

Received the prestigious international award for our landmarking Mission 1

- Received the 2024 “IAF Excellence in Industry Award” from the International Astronautical Federation, together with United Launch Alliance, a U.S. launch service provider
- The award is given to companies that are **recognized for successfully executing landmark space missions.**
- We **exemplified international collaboration spanning three global entities**; Mission 1 was powered by a diverse group of people, showcasing the synergy that arises from blending the perspectives and capabilities of over 30 nationalities, which was resulted in Mission 1 reaching the final lunar landing phase

Takeshi Hakamada: The organizer of the IAC, International Astronautical Federation, gives “IAF Excellence in Industry Award” every year to companies that are recognized throughout space industry for successfully executing landmark space missions.

This year, ispace received this award to recognize our achievements of our Mission 1, including the successful launch of the first lunar lander by a private sector.

The award citations states “ispace exemplified international collaboration spanning three global entities. Mission 1 was powered by a diverse group of people, showcasing the synergy that arises from blending the perspectives and capabilities of over 30 nationalities. Their unwavering commitment to the motto “Never quit the lunar quest” reflected their resilience and their determination.”

We are honored and humbled to have been recognized by the IAF and as well as to receive this award together with United Launch Alliance, one of the largest companies in the space industry.

These are the updates on the business environment. I will now explain the progress of each mission.



M2 Launch

no earlier than

Jan 2025*

- SpaceX has defined an updated Launch Window for our Mission 2 for no earlier than January 2025*
- Our preparations are progressing smoothly; Soon the RESILIENCE lander will be shipped to Florida on-time for final preparations for launch

* Launch timing, targeted for early next year, is subject to change.



Takeshi Hakamada: As mentioned at the beginning of this session, we are pleased to announce that SpaceX has defined an updated Launch Window for our Mission 2 for no earlier than January 2025.

Our preparations are progressing smoothly. The RESILIENCE lander will be shipped to Florida on-time according to our planned schedule for final preparations for launch.

We, all ispace crew, are standing by the launch and thrilled to show our second challenge towards the lunar landing, so please stay tuned!

Launching soon! Mission 2

Mission Description

- Scheduled for launch no earlier than **January 2025⁽¹⁾**
- The RESILIENCE lander, with **hardware validated through Mission 1**, will be utilized aiming to improve mission maturity and complete validation of lunar landing technology
- TENACIOUS micro rover developed by European entity will be validated for the first time, contributing to future lunar surface exploration
- Transaction of lunar regolith will be executed between NASA and ispace

Payload Customers

Sales completed

Total Contract Amount:

Approx.
\$16 MM⁽²⁾



Water-splitting experiment



Lunar algae-cultivation equipment



Deep Space Radiation Probe



"Space Century Charter" plate



Moon House (artwork)

Lander etc. to be used

Preparing shipment to launch site

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 November 12, 2024. The values are rounded off to integral values

Takeshi Hakamada: Now, for the upcoming launch, I would like to talk about key points about Mission 2 once again.

Mission 2 will utilize the same model of hardware validated through Mission 1.

The difference from Mission 1 is that Mission 2 aims not only to achieve lunar landing but also to carry out lunar exploration after the landing. For example, we will transport the TENACIOUS rover developed by our European entity to the lunar surface, and the rover will collect lunar regolith and transfer its ownership to NASA to demonstrate the commercial transaction for lunar regolith.

The payloads for Mission 2 have already been finalized for a total contract amount of \$16 million USD.

For the development side, we have completed the development of both rover and lander, scheduling to transport them from Japan to the launch site in Florida soon.

In addition, we are currently discussing with an insurance company to arrange an insurance for Mission 2 as we did in Mission 1.

We will provide more details as soon as it is finalized, but it appears that the global market environment for space insurance is negative compared to 2022, the year of the Mission 1 launch.

We have heard that this is due to multiple accidents involving satellites, among others, worldwide in 2024.

While we envision the establishment of the Cislunar economy, we recognize that it is crucial to arrange an insurance to sustain risk-taking players aiming to expand their business. We will continue discussing with the insurance company and carefully watching the market environment to arrange the insurance to the extent possible.

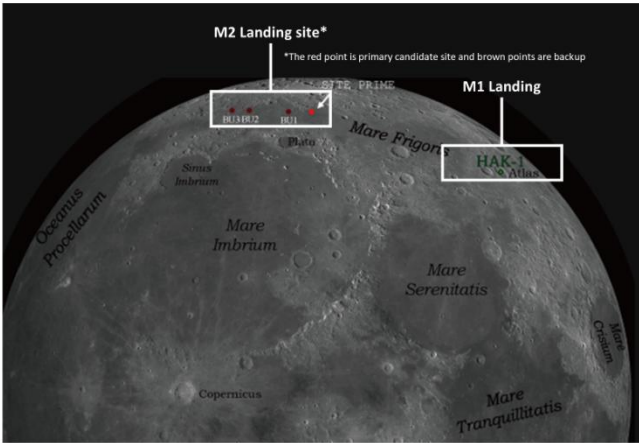
Progress of Mission 2 9

Launching soon!

Mission 2

Mission Progress


Revealed M2 landing site "Mare Frigoris"! TENACIOUS rover was integrated to RESILIENCE lander, ready to be shipped to the launch site




M2 Landing site*
*The red point is primary candidate site and brown points are backup

M1 Landing

The RESILIENCE lander will land near the center of Mare Frigoris (Sea of Cold), 60.5 degrees north latitude and 4.6 degrees west longitude



The TENACIOUS rover was transported to Japan by Japan Airlines, a HAKUTO-R corporate partner and our shareholder



The lander will soon be shipped to the launch site to be mounted on the rocket

Takeshi Hakamada: For Mission 2, we have also announced the planned landing site for the lander.

The lander will land near the center of Mare Frigoris, meaning Sea of Cold, shown in the left-hand photo.

Mare Frigoris was also the planned landing site in the previous Mission 1, but this time we will aim to the west of the Mission 1 landing site.

Furthermore, in terms of development, the TENACIOUS rover was transported from our European entity in Luxembourg to Japan by HAKUTO-R corporate partner, Japan Airlines, and was integrated into the flight model of the RESILIENCE lander.

That being said, all payloads have been integrated into the lander, and the lander will be shipped to the launch site, Cape Canaveral, to be mounted on the rocket soon.

Progress of Mission 2
10



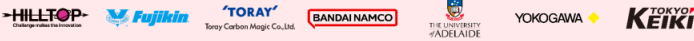

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Launching soon!

Mission 2

Sales Progress

In total twenty-two HAKUTO-R⁽¹⁾ Official and Corporate Partners are confirmed, aiming for Mission 2 success

1 Official Partner	
11⁽²⁾ Corporate Partners	
7 Supporting Companies	
3 Media Partners	

(1) HAKUTO-R is a commercial lunar exploration program that includes ispace's first two lunar missions.

(2) SMBC Nikko Securities is included in the number of corporate partners

Takeshi Hakamada: With the upcoming launch, today we are excited to announce that Official Partner and Corporate Partners of the HAKUTO-R program have been confirmed.

Sumitomo Mitsui Banking Corporation has joined as a new official partner, and Kurita Water Industries and JINS have joined as new corporate partners.

Together with these three companies and the total of 22 partners as shown here, we are committed to the success of Mission 2.

Launching soon!

Mission2

Sales Progress

Sumitomo Mitsui Banking Corporation (SMBC) becomes HAKUTO-R Official Partner



Together with the official partner, aim to develop cislunar⁽¹⁾ economy

- Since joining as corporate partner in 2020, **SMBC has provided significant support for the HAKUTO-R program**
- As official partner, SMBC demonstrates its commitment to a shared vision of developing an economic zone between Earth and the Moon, known as the cislunar economy
- Together the two companies expect to increase participation in the market and collaboratively support each other's goals

(1) A broad concept that includes creating new markets, technologies, and infrastructure that support the realization of a sustainable society.

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Takeshi Hakamada: First of all, we are pleased to announce Sumitomo Mitsui Banking Corporation, SMBC, joined the program as an official partner. Since joining as a corporate partner in 2020, SMBC has provided significant support with not only loans but also tremendous support for our business development in many areas.

SMBC provides wide-ranging assistance to companies working to create value with an eye to the future, with the aim of realizing a sustainable society. SMBC has decided to participate in the program with the aim of creating new social value together with ispace.

Launching soon!

Mission2

Sales Progress

JINS and Kurita Water Industries join HAKUTO-R as Corporate Partners



JINS joined as a Corporate Partner

- A Japanese eyewear company, JINS, joined HAKUTO-R program as a corporate partner
- Together with JINS, we are thrilled to see what will become as we are 'Shining a New Light' on the lunar environment and the new beginnings of the cislunar economy



Kurita Water Industries joined as a Corporate Partner

- A Japanese water treatment facility and chemical manufacturer, Kurita Water Industries, joined HAKUTO-R program as a supporting company in 2023 and now joined as a corporate partner in order to further accelerate the development of water treatment systems
- Kurita Water Industries has been working with JAXA to develop a water recycling system for the International Space Station

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Takeshi Hakamada: In addition, a Japanese eyewear company, JINS, joined the HAKUTO-R program as a corporate

partner.

Together with JINS, we are thrilled to see what will become as we are ‘Shining a New Light’ on the lunar environment and the new beginnings of the cislunar economy.

Finally, a Japanese water treatment facility and chemical manufacturer, Kurita Water Indu, joined the program as a supporting company in 2023 and now has increased their participation as a corporate partner in order to further accelerate the development of water treatment systems related to space environments with a focus on lunar environments.

Kurita Water has water-related technologies and knowledge cultivated through many years and now proactively apply those technologies knowledge to space-use as they have been working with JAXA to develop a water recycling system for the International Space Station. Their water treatment technology will be delivered to the Moon as part of Takasago Thermal Engineering Corporation’s payload in Mission 2.




Progress of Mission 3 13

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⁾	  	Multiple Experiment Devices Jervis Autonomy Module Ultra Wide Band
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Lander to be used CDR⁽³⁾ to be completed

APEX 1.0 Lander

Size
Approx. 3.3m tall by 4.5m wide (standing, including its legs)

Mass
Approx. 5,390kg (Wet: fully fueled)
Approx. 1,730kg (Dry: unfueled)

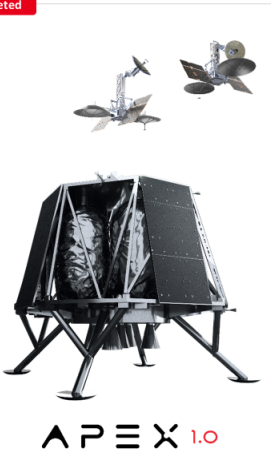
Design Payload Capacity
Up to 300kg

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 November 12, 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

Takeshi Hakamada: Next, Mission 3 developed in the U.S.

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 approx. 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 the 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 and signed MOU for data service.



Sales activities are underway aiming to complete within this fiscal year. PSAs have already been signed with NASA,

Rhea Space Activity, a private US. company, and CDS, a private Romanian company, for a total contract amount of \$57 million USD.

Progress of Mission 3 14

2026 **Mission3** Development Progress

U.S. entity unveiled a full-scale APEX 1.0 lander mock-up and U.S. MCC, standing ready to carry out consecutive commercial missions



APEX 1.0 lander mock-up at IAC booth The main operation room of the Summit Mission Control Center

- A full-scale (approx. 3.3 m high and 4.5 m wide) mock-up of APEX 1.0 lander was unveiled at the International Astronautical Congress
- The "Summit Mission Control Center" was unveiled. The MCC will serve for the consecutive U.S.-based missions
- The CDR⁽¹⁾ for the APEX 1.0 lander has already been conducted with our external experts and will be completed after final internal procedures

(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

i space

Takeshi Hakamada: As mentioned earlier, a full-scale mock-up of the APEX 1.0 Lander was unveiled for the first time at the IAC.

Furthermore, in preparation for consecutive U.S.-based missions, the Summit Mission Control Center was established, as shown in the photo on the right.

As for the Critical Design Review for the APEX 1.0 Lander, which we previously announced that we planned to complete by the summer of this year, the review meeting with external experts has already been conducted, and we plan to report its completion after the final internal procedures.

Once the CDR is complete, we will then start the lander assembly.

2027 Mission 6

Mission Description

- Scheduled for launch in **2027⁽¹⁾**
- Part of mission costs supported by the **grant of \$80MM⁽²⁾ which was the largest budget size⁽³⁾ of the SBIR program⁽⁴⁾⁽⁵⁾**. The 1st payment of the grant was completed at the end of September



Payload Customer **TBD**

In discussions with prospective customers

Lander to be used **PDR⁽⁶⁾ in progress**

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 November 12, 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 November 12, 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.

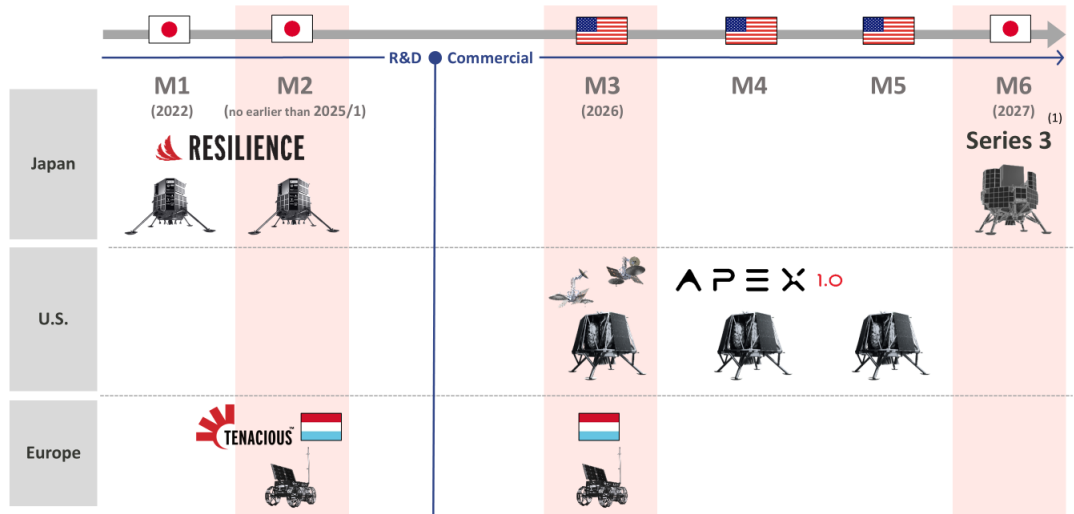
ispace has been selected by the Japanese government's SBIR program and is currently developing Series 3 lander (tentative name) as our Mission 6. SBIR stands for Small Business Innovation Research grants administered by Japan's Ministry of Economy, Trade and Industry.

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.

The first payment of the grant was completed at the end of September. The grant will be recorded as non-operating income on P&L after interim review to be held in upcoming months.

On the development side, the Preliminary Design Review for each subsystem is progressing smoothly. Once it's completed, the lander will enter critical design phase.

Developing 3 landers simultaneously: in Japan for Mission 2 (scheduled launch in no earlier than 2025/1), 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 Nov 12, 2024. Tentative name and the design of the image is subject to change in the future.

Takeshi Hakamada: That concludes an explanation of each ongoing mission. We are currently developing three landers highlighted in pink simultaneously in Japan and the U.S., while developing rovers in Europe as shown in the bottom.

Next, I would like to report on global customer development.

New **MOUs** Around the International Astronautical Congress (IAC), signed MOUs⁽¹⁾ and iPSA⁽²⁾ with 7 global entities totaling \$99MM, aiming to move forward to final agreements



Takeshi Hakamada, Founder & CEO of ispace, and Lloyd Jacob Lopez, Co-Founder and CEO of HEX20



Takeshi Hakamada, Founder & CEO of ispace, and Jaeho Lee, VP of UEL



mu Space CEO, GISTDA Director, and mu Space Executive Fellow



Takeshi Hakamada, Founder & CEO of ispace, and Shukhrat Kadirov, Director General of Uzbeospace Agency

HEX20 (India)

- Previously signed MOU in Oct 2023⁽³⁾, and this time signed new iPSA at IAC
- The iPSA is intended that ispace will deliver a HEX20 cubesat⁽⁴⁾ to lunar orbit

Unmanned Exploration Laboratory (South Korea)

- UEL is a space robotics and exploration company in South Korea
- The MOU is intended that ispace will deliver UEL's rover to the lunar surface as a technology demonstration

GISTDA and mu Space (Thailand)

- Signed MOU with GISTDA, the Kingdom of Thailand's national space agency, and mu Space to collaborate on lunar exploration mission for Thailand's national space program

Uzbeospace Agency (Uzbekistan)

- The MOU is intended the mutual strategic collaboration including customer development in Uzbekistan and development of future lunar exploration plans

(1) Memorandum of understanding
 (2) Interim Payload Service Agreement

(3) P.20 on "Financial Results Material for Q2 of Fiscal Year Ending March 2024"
 (4) a small, standardized satellite

Takeshi Hakamada: As we have announced various MOU news recently, we have signed MOUs and interim payload service agreement totaling \$99 million USD with seven global entities.

First, as announced in Q2 of the previous fiscal year, we signed MOU with Skyroot and HEX20 to create demand for lunar orbit satellite missions. And this time, ispace and HEX20 have entered into an interim payload service agreement which anticipates that we will deliver HEX20's CubeSat to the lunar orbit in our future mission.

Next, we have signed a MOU with Unmanned Exploration Laboratory, a space robotics and exploration company in South Korea for the transportation of their rover to the Moon.


Furthermore, at the Thailand Space Week held last week, we signed a three-party MOU with GISTDA, a Thai government agency, and mu Space, a Thai startup company. The MOU is intended for collaboration on a lunar exploration mission within the framework of Thailand's "National Space Experiment and Exploration".

We also signed a MOU with the Uzbekistan Space Agency for comprehensive strategic cooperation on customer development and future lunar exploration programs in Uzbekistan.


Progress in Developing Global Customers 18

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New MOUs Around the International Astronautical Congress (IAC), signed MOUs⁽¹⁾ and iPSA⁽²⁾ with 7 global entities totaling \$99MM, aiming to move forward to final agreements



Ron Garan, CEO of ispace-U.S., Sam Ximenes, Founder and CEO of Astroport, and Takeshi Hakamada, Founder and CEO of ispace



Ron Garan, CEO of ispace-U.S., and Justin Zipkin, CEO of Volta Space Technologies



An image of AMC's space robot "Space Capable Asteroid Robotic Explorer (SCAR-E)" (©Asteroid Mining Corporation)

Astroport (U.S.)

- U.S. entity signed MOU with Astroport Space Technologies (Astroport), a space construction and materials manufacturing company, at IAC
- The MOU is intended that APEX 1.0 lander will deliver and deploy Astroport's scientific instruments to the lunar surface

Volta Space Technologies (U.S.)

- U.S. entity signed MOU with Volta Space Technologies (Volta), a leading innovator in lunar power solutions, at IAC
- The MOU is intended to have a strategic collaboration including a future partnership to develop a commercial offering for "Survive the Night" capability and deliver Volta's payloads to the lunar surface

Asteroid Mining Corporation (UK)

- Signed MOU with Asteroid Mining Corporation (AMC), a London-based space robotics company
- The MOU is intended that ispace lunar lander will deliver an AMC's space robot to the lunar surface as a technology demonstration for future asteroid mining effort

(1) Memorandum of understanding (2) Interim Payload Service Agreement

Takeshi Hakamada: Moreover, in Europe and the U.S,

Our U.S. entity signed a MOU with Astroport Space Technologies, a space construction and materials manufacturing company for deliver and deployment of Astroport's scientific instruments to the lunar surface.

The U.S. entity also signed a MOU with Volta Space Technologies, a leading innovator in lunar power solutions, for a strategic collaboration including a future partnership to develop a commercial offering for "Survive the Night" capability and deliver Volta's payloads to the lunar surface.

Lastly, we signed a MOU with U.K. company, Asteroid Mining Corporation developing space robots with Japan's Tohoku University to deliver an AMC's space robot to the lunar surface as a technology demonstration for future asteroid mining effort.

We will continue to work toward finalizing these contracts with a total of \$99 million USD.

That concludes our report on business progress.



Let me touch on some of the investor relations activities that we are currently engaged in.

IR Activity 20


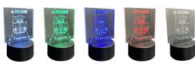
IR Activity

Actively creating opportunities to directly communicate with our shareholders and investors

Completed

- Held a lander papercraft event for our shareholders
 - 
CEO Hakamada giving advice on how to assemble the lander papercraft
 - 
CTO Ujiie explaining lander functions to our shareholder by using the papercraft
- Attended six IR seminars for retail investors in Japan
 - Sep. 8: seminar hosted by IR vendor ([transcript and recording](#))
 - Sep. 7: seminar hosted by IR vendor ([transcript and recording](#))
 - Sep. 29: seminar hosted by IR vendor
 - Oct. 3: seminar operated by SBI Securities ([recording](#))
 - Oct. 22: seminar operated by Okasan Securities ([recording](#))
 - Nov. 1: seminar hosted by Nihon Securities Journal

Upcoming

- Updates on shareholder benefits program⁽¹⁾
 - Opportunity to apply for participation in Mission 2-related events:** Planning to **invite to Mission 2 Launch Event!** The postcards with detailed information for the event will be delivered to shareholders from the end of Nov. 
 - Commemorative LED lander stand:** Will be delivered to shareholders during this Dec. 
 - A picture that will be taken during Mission 2:** Will be delivered to shareholders after Mission 2 completion
- Scheduled to participate in multiple IR seminars and conferences before the end of this year

(1) For more details, please refer to "Ispace Announces Shareholder Benefit Program to Celebrate HAKUTO-R Mission 2" announced on Aug. 23, 2024.

Takeshi Hakamada: Since the space business is still in the early phase of the market and there are no similar companies in Japan especially in terms of lunar transportation, we believe it is important to explain the fundamental aspects of what we do and why we challenge, including the business environment and our business progress. Therefore, we are proactively creating opportunities to have direct communication with our shareholders and investors.

With this in mind, we held a lander papercraft event for our shareholders hosted by me and CTO Ryo Ujiie.

We have participated in seminars for individual investors and plan to attend more in the upcoming months.

We would also like to update on the shareholder benefits we announced in August. As for the opportunity to apply for participation in Mission 2 related events, we are now planning to invite you to the Mission 2 launch event! We will be sending postcards with instruction how to apply for the event in late November as well as commemorative LED lander stands in December. Please stay tuned!

Now, CFO Nozaki will give an update on the financial activities.

New Financing **Announced equity program agreement with Heights Capital Management as the allottee, aiming at securing the necessary funds for future missions**

ispace

HEIGHTS
CAPITAL MANAGEMENT

 **SUSQUEHANNA**

Introduction of allottee

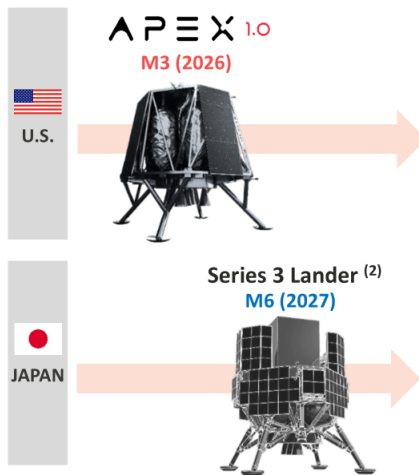
- Heights Capital Management (HCM) is an affiliate of Susquehanna International Group (Susquehanna), one of the world's largest privately-held financial services firms. The HCM business began in 1996 and was established to manage the direct investment of Susquehanna's self capital in listed companies around the world
- HCM is focused on investing in high-growth firms across sectors including biotech, healthcare, technology, financial services, media, energy services, and natural resources
- ispace has been in continuous dialogue with HCM since its pre-listing stage to deepen mutual understanding. Their strong identification with ispace's vision and growth strategy lead to this large-scale investment

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

First of all, let me give a recap on the third-party allotment through the equity program with Heights Capital Management.

Heights Capital, the allottee of the program, is a group company of Susquehanna International Group, one of the world's largest private equity conglomerates. Most recently, we received a proposal for capital increase through a third-party allotment, as they believe in our vision of building an economy between the moon and the earth and our growth strategy through lunar landing missions.

Background of the third-party allotment



- ispace is currently in the process of “initial model development” for two landers: the APEX 1.0 lander⁽¹⁾ in the U.S. entity and the Series 3 lander⁽²⁾ in Japan entity
- Development of the “initial model development” involves a one-time initial R&D cost, which is a significant financial and P&L cost burden, especially in the current period
- It is important to have sufficient liquidity on hand and a strong capital buffer to ensure a stable lunar landing mission in the future
- After considering various options for recapitalization, we have determined that this deal is the best option

(1) Plan to be used in Mission 3 scheduled for launch in 2026

(2) Tentative name. This shows an image as the design of Series 3 Lander has not been finalized yet

Jumpei Nozaki: As for the background of the capital increase, we are currently in the phase of “initial model development” of two large lunar landers, the APEX 1.0 lander in the U.S. and the Series 3 lander in Japan.

Our “initial model development” of the lander involves a large amount of one-time initial R&D expense as you will see the quarterly financial figures in the latter slides.

To achieve the stable operation of the lunar landing mission in the future as a commercialization phase, it is essential to secure sufficient liquidity and a strong equity buffer.

After considering various options for capital raise, we have decided that the best option is to implement equity financing in the form of a third-party allotment to Heights Capital.

The following is a summary of the deal for this capital increase.

The total amount raised will vary depending on the share price at each of the four equity programs. In addition to the Base Capital Increases, planned to be completed by the end of this fiscal year, Upside Capital Increases through stock acquisition rights are anticipated in the future

i s p a c e

Base Capital Increase (Completed by the end of 2025/3)		Upside Capital Increase (Potential capital increase through 2029/3)	
Capital increase by common stock Total number of shares issued: 11M shares (2.75M shares each)		Capital increase by stock acquisition rights Total number of rights issued: 110,000 rights (27,500 rights each) ⁽²⁾	
Announcement date	Amount raised ⁽¹⁾	Announcement date	Amount raised ⁽³⁾
1st : 2024/10/11	1,655.50MM JPY (based on 10/10 closing price)	1st : 2024/10/11	2,228.27MM JPY (based on 10/10 closing price)
2nd : 2024/11/18	TBD (based on the closing price on the day before the announcement date)	2nd : 2024/11/18	TBD (based on the closing price on the day before the announcement date)
3rd : 2025/1/14	TBD (based on the closing price on the day before the announcement date)	3rd : 2025/1/14	TBD (based on the closing price on the day before the announcement date)
4th : 2025/3/11	TBD (based on the closing price on the day before the announcement date)	4th : 2025/3/11	TBD (based on the closing price on the day before the announcement date)
Estimated total amount (4 times)		Estimated total amount (4 times)	
Assumptions for stock prices in the 2nd through 4th announcement in the estimation		Assumptions for stock prices in the 2nd through 4th announcement in the estimation	
Approx. 6.6 Bn yen ⁽⁵⁾		Approx. 8.9 Bn yen ⁽⁵⁾	
Ex : based on 10/10 closing price		Ex : based on 10/10 closing price	
10.1 Bn yen		13.6 Bn yen	
Maximum amount stated in the shelf registration statement		Maximum amount stated in the shelf registration statement	

(1) The issue price per share of stock will be an amount equivalent to 90% of the closing price on the day before each announcement date (4)
 (2) Equivalent to 2,750,000 shares of common stock
 (3) The exercise price per share of the stock acquisition rights will be 120% of the closing price on the day before the announcement date (5)
 (4) The 1st announcement of stock acquisition rights have not been exercised at this time and will be procured at the stated amount if exercised in the future
 (5) Actual amount raised may vary depending on stock price trends.

Jumpei Nozaki: The equity program to be implemented by CVI Investment Inc. managed by Heights Capital, consists of two sets of transactions: a capital increase through the issuance of common stock to Heights Capital, described as a “Base Capital Increases” on the left-hand side, and an allotment of stock acquisition rights to Heights Capital, described as “Upside capital increases” on the right-hand side. The “Upside capital increases” on the right side is an allotment of stock acquisition rights to Heights Capital. Each of them, both left and right, will be issued in four phases through the end of March 2025.

First, in the “Base Capital Increases” on the left, we will issue 2.75 million shares of common stock in each round, for a total of 11 million shares in four rounds. Each round is expected to raise capital and enhance the balance sheet.

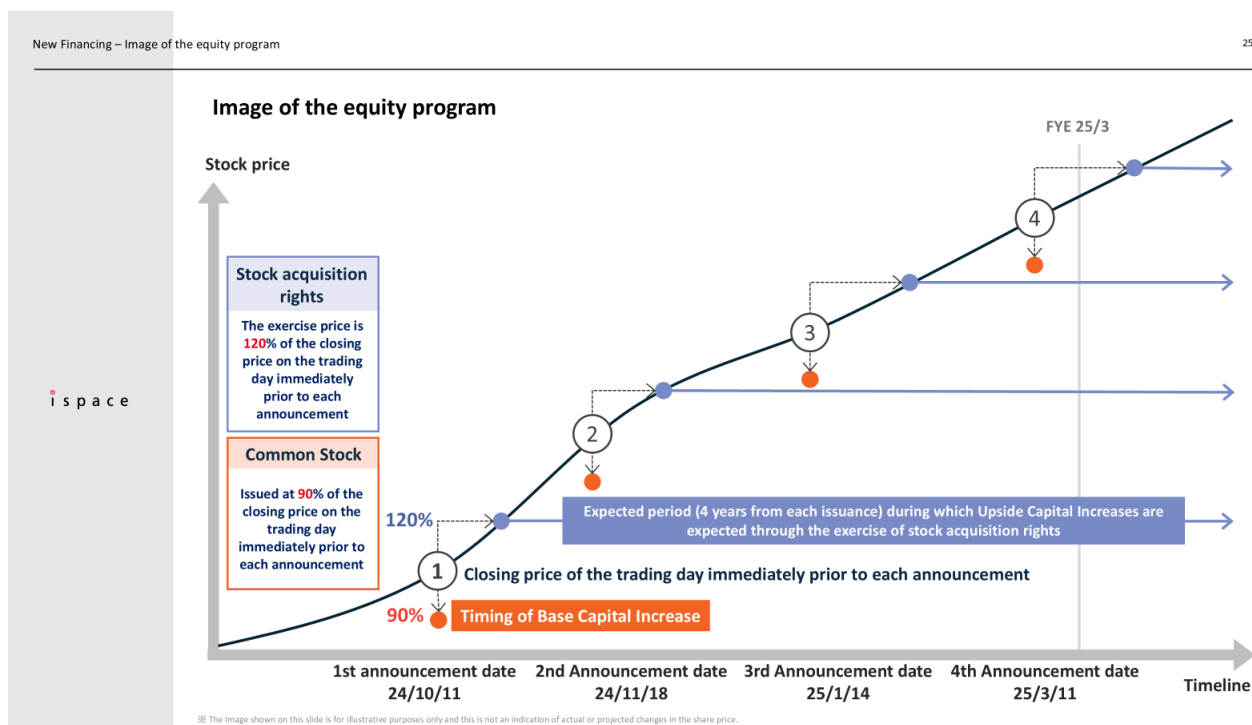
Next, in the “Upside capital increases” on the right, 27,500 stock acquisition rights will be issued each time, for a total of 110,000 (hundred and ten thousand) stock acquisition rights in four rounds, which are equivalent to 11 million shares. Assuming Heights Capital exercises these in the future, it is expected to raise funds and increase capital on our balance sheet. The stock acquisition rights will be exercisable for a period of four years from the date of each issuance.

The actual amount of capital increase will be determined based on the closing price of the stock on the day prior to the announcement date of each issue. Since the amount to be raised will vary depending on the share price of each issue, the amount to be raised shown at the bottom of the slide is only an estimate of the amount that can be assumed.

Assuming that all four issues of common stock are made based on the same closing price 668 yen per share as that of October 10, 2024, the total amount of capital to be raised, including the first issue, is expected to be approximately 6.6 billion yen by the end of March 2025.

Next, regarding the Upside Capital Increases on the right side, the amount to be raised is determined to be approximately 2.22 billion yen, calculated based on the closing price of 668 yen on October 10, 2024, assuming that the subscription rights are exercised by Heights Capital.

Assuming that the exercise price of all four stock acquisition rights is determined based on the closing price on October 10, 2024, and they are subsequently exercised by Heights Capital, a total of approximately 8.9 billion yen will be raised through the capital increase, including the first exercise.



Jumpei Nozaki: This slide shows the image of the share price trends for the four announcement dates.

Financing – reasons for selection of procurement method 26

By issuing common stock and stock acquisition rights with four separate issuances, the program is designed to: 1. reduce the impact on the share price, 2. take dilution into consideration, and 3. leave open the possibility of upside procurement that can further accelerate future growth

Advantages of the program

- 1. Reduce the impact on the share price**
By dispersing the issuance of common stock, the Base Capital Increases, over four programs, the share price impact is expected to be reduced compared to the case where all the shares are issued at once. In addition, the Upside Capital Increases of stock acquisition rights is expected to be converted in stages, which is expected to further diversify the share price impact
- 2. Factoring in potential share price appreciation and limiting future dilution**
By issuing common stock four times each of the closing price on the trading day immediately prior to each announcement date, the company will be able to raise a certain amount of capital with a high probability. Furthermore, if the stock price improves, it will reduce the amount of capital needed to be raised in the future, and consequently reduce dilution
- 3. Upside procurement that can further accelerate future growth**
By setting the exercise price of the warrants at +20% each of the closing price on the trading day immediately prior to each announcement date, the company can expect an upside to the amount raised if business progresses and the stock price improves in the future, thereby further accelerating future growth (The number of shares to be issued under the stock acquisition rights is fixed and the maximum number of shares to be issued is limited, so the design also takes dilution into consideration)

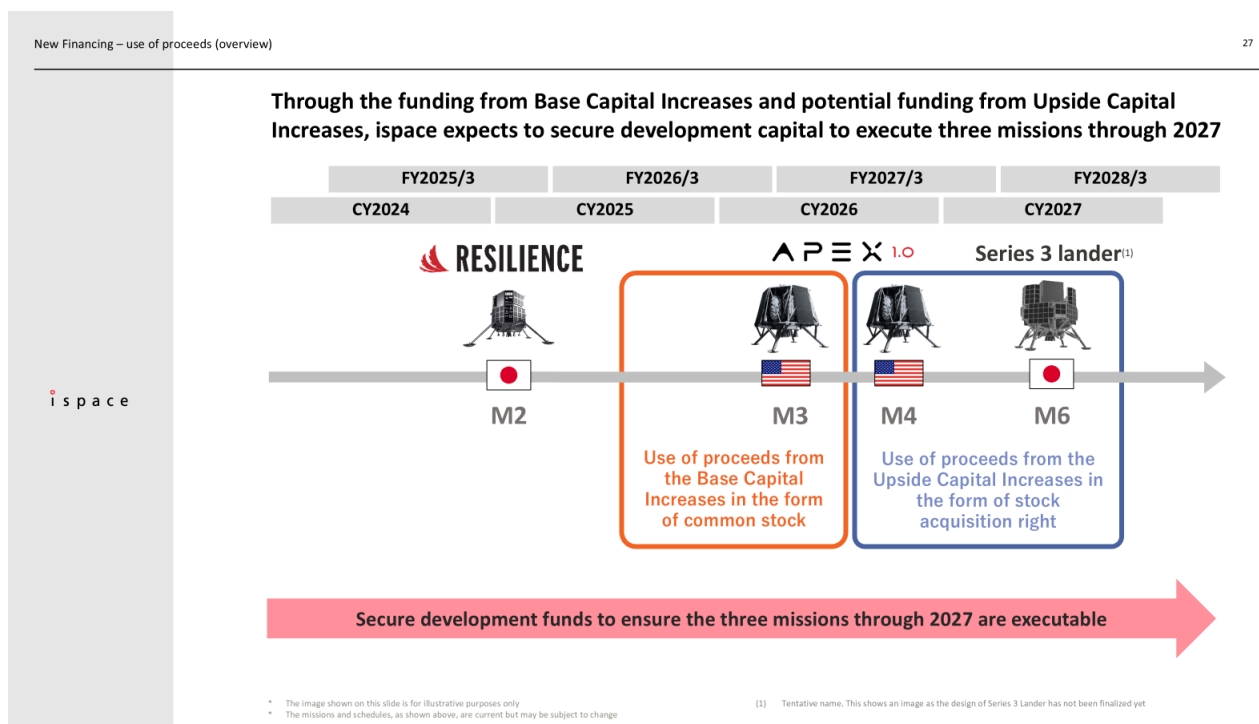
Jumpei Nozaki: We believe that there are three major advantages in designing this equity program in such a way that it is divided into four announcements of issuance, and each consists of common stock and stock acquisition rights issued in stages.

The first is to reduce the share price impact. By spreading the issuance of common stock, base capital increase, over four programs, the impact of the capital increase on the stock price is expected to be relatively smaller than if all the shares were issued at once.

The second point is to control future dilution by factoring in potential share price appreciation. The base capital increase is expected to raise a certain amount of capital by the end of the current fiscal year with a high probability, but by further dividing the announcement date into four issues in the future, the amount of capital raised can be expected to increase if the share price rises in the future, thereby reducing the amount of capital required to be raised in the future.

Finally, the third point is an upside capital increase that will further accelerate future growth. By setting the exercise price of the warrants at 20% of the closing price on the day before the announcement date for each of the four issues, we can expect an upside to the amount raised if business progresses and the stock price improves in the future, thereby further accelerating future growth. In addition, the number of shares to be issued under the stock acquisition rights is fixed, and the maximum number of shares to be issued is limited, so the scheme is designed to take dilution into consideration.

For these reasons, we have selected this program as our capital increase method.



Jumpei Nozaki: The purpose of this equity program is to ensure sufficient liquidity on hand and a strong capital buffer for stable commercial mission operations in the future. More specifically, through this equity program, we expect to secure development funds to ensure the viability of the next three missions, which are scheduled to launch by 2027.

The company intends to fully fund the development of Mission 3, which is scheduled to be launched in 2026, through a base capital increase of 4 issuances of common stock.

In addition, we intend to fully fund the development of Mission 6, which is scheduled to be launched in 2027,

through an upside capital increase by exercising stock acquisition rights by 4 issuances.

We believe that securing funds for the development of Mission 3 and Mission 6, which will be important touchstones for the company's progress toward commercial missions in the future and clarifying the path to realize the mission that are important measures to support the company's medium- to long-term growth. We believe that this equity program has great significance. For the breakdown of the specific use of the funds, please visit our website IR page and see announced material on October 11th.

Now I would like to move on to the quarterly financial results.

Profit and Loss Statement 28

Despite YoY increase in net loss due to recording of non-operating expense and extraordinary loss, the size of loss is within the expectation in comparison to the full-year forecast

(Millions of yen)	FY2025/3	FY2024/3 (Previous year)		FY2025/3 (Forecast)	
	Q2 Cumulative	Q2 Cumulative	%Change	Full Year Forecasts	%Progress
Net Sales ⁽¹⁾	1,342	1,330	+0.9%	4,033	33.3%
Gross Profit	204	686	-70.2%	522	39.2%
Gross Profit Margin	15.3%	51.6%	-	12.9%	-
SG&A	3,938	2,727	+44.4%	13,688	28.8%
Operating Profit/Loss	-3,734	-2,041	-	-13,165	-
Ordinary Profit/Loss	-5,790	-2,257	-	-12,461	-
Net Profit/Loss	-6,391	1,537	-	-12,465	-

Point:

- **Net Sales:**
Although net sales is generally equivalent to previous Q2, YoY net sales increase is +77.8%, assuming to exclude a temporal increase in net sales along with Mission 1 completion in the previous Q2 (approx. ¥575MM), mainly due to the significant increase of +148.0% in Mission 3 net sales
- **Operating Loss:**
Increased YoY due to no existence of one-time sales associated with Mission 1 completion, in addition to an increase in SG&A along with development progress in Mission 3 (Refer to the next page)
- **Net Loss:**
The previous Q2 recorded lunar insurance of ¥3,793MM in the extraordinary income while the current Q2 recorded the below non-operating expenses and extraordinary loss, resulted in net loss increased compared to the net profit in the previous Q2
 - Foreign exchange loss of ¥1,364MM
 - Extraordinary loss of ¥596MM due to change in use of some assets
 - Interest on loans of ¥422MM

(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.

Jumpei Nozaki: First, as for the profit and loss statement.

Overall, the net loss increased YoY due to recording of non-operation expense and extraordinary loss, however, the size of the loss is within our expectation in comparison to the full-year forecast.

Net sales for Q2 cumulative period of fiscal year ending March 2025 was ¥1.3 billion JPY, generally equivalent to the previous Q2. This is because the previous Q2 cumulative recorded a temporary increase of approx. ¥0.5 billion JPY in net sales along with the one-time sales related to Mission 1 completion. Excluding that impact, the YoY net sales increase is +77.8% mainly due to a significant increase of +148.0% in Mission 3 sales.

Operating loss was ¥3.7 billion JPY, increased compared YoY. This was because, as mentioned earlier, there was no recording of one-time sales associated mission 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 ¥6.3 billion JPY. The previous Q2 recorded lunar insurance of ¥3.7 billion JPY as extraordinary income while the current Q2 recorded foreign exchange loss of ¥1.3 billion JPY, interest on loans of ¥0.4 billion JPY, and an extraordinary loss of ¥0.5 billion JPY due to changes in use of some assets.

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

(Millions of yen)	FY2025/3	FY2024/3 (Previous year)	
	Q2 Cumulative	Q2 Cumulative	%Change
R&D	2,203	1,637	+34.6%
Salary and Allowance	772	430	+79.2%
Other	963	659	+46.2%
Total	3,938	2,727	+44.4%

Point:

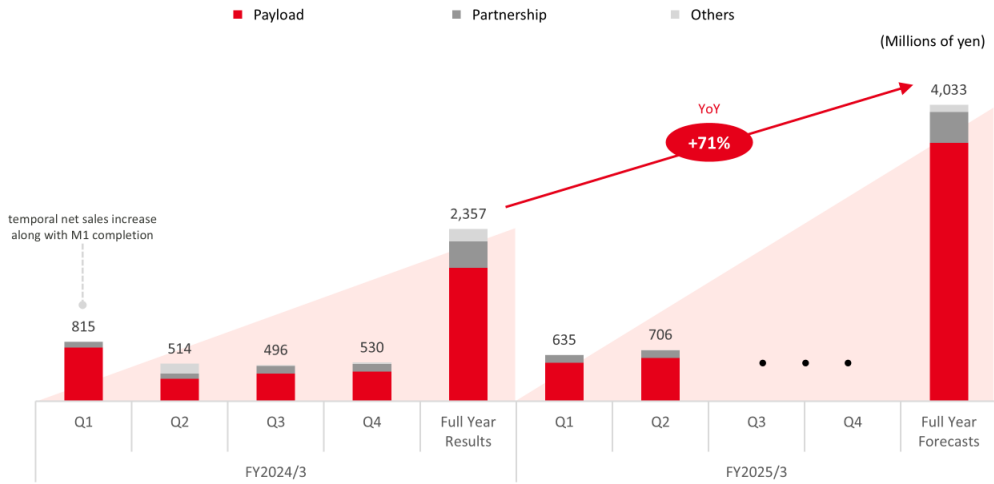
- **R&D:**
Increased YoY due to increases in development costs for Mission 2 defined as a R&D mission as well as Japan-based Mission 6 and U.S.-based Mission 3 which are defined as commercial missions
- **Salary and Allowance:**
Increased YoY mainly due to growth in the number of employees (+74) on a consolidated basis (mainly due to an increase in U.S. entity) from the previous Q2

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

R&D costs were ¥2.2 billion JPY, increased YoY mainly due to an increase in development cost for Mission 2 in Japan, which is defined as an R&D mission, as well as increases in Mission 6 developed in Japan and Mission 3 developed in the U.S., which are defined as commercial missions, as a portion of Mission 3 and 6 development costs were recognized as R&D costs rather than cost of sales.

Salaries and allowances were ¥0.7 billion JPY, increased YoY mainly because the number of employees on a consolidated basis (especially in the U.S. entity accelerating Mission 3 development) increased from 238 in the previous Q2 to 312, a YoY increase of 74.

The full-year sales forecast for this fiscal year remains at ¥4.0 Bn. We aim to expand payload sales in the second half of the fiscal year, mainly through Mission3



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

The net sale progress of the first half period stays 33.3% of the fiscal year’s net sale forecast of ¥4 billion JPY. As we have been mentioning from the beginning, the net sales are expected to be concentrated in the second half of the fiscal year along with Mission 3 progress.

To be precise, the net sales recorded in the first half of the fiscal year were slightly lower than originally expected. This is not due to a negative event such as a decrease in the sales contract amount, but mainly due to the fact that, the COGS (costs of goods sold) incurred in the development of our Mission 3 are behind schedule.

To be clear, although there are delays in the delivery schedule of some lander parts, this will not lead to a delay in the launch schedule of Mission 3 itself.

Our plan is to continue to make up for the delay in the occurrence of COGS in the second half of the year. However, if there were such delays in COGS continuously, it could be a factor decreasing our sales forecast for this fiscal year. We will closely monitor the progress of the second half of the year and provide an update in a timely manner.

Short term advances and advances received increased from the previous fiscal year along with the progress of Mission 2 and 3 development, while long term liabilities also increased due to long-term debt through syndicated loan

(Millions of yen)	FY2025/3 Q2 (as of Sep 2024)	FY2024/3 (as of Mar 2024)	
	Results	Results	%Change
Current Asset Total	22,527	21,784	+3.4%
Cash and Deposit ⁽¹⁾	13,153	14,315	-8.1%
Short Term Advances	5,622	4,228	+32.9%
Non-Current Assets Total	6,018	5,248	+14.7%
Property and Equipment	3,480	2,462	+41.3%
Long Term Advances	2,310	2,560	-9.8%
Total Assets Total	28,545	27,033	+5.6%
Current Liabilities Total	9,081	10,503	-13.5%
Advances Received	3,547	3,023	+17.3%
Long Term Liabilities Total	14,081	6,784	+107.5%
Long Term Debt	13,830	6,538	+111.5%
Net Assets Total ⁽¹⁾	5,383	9,745	-44.8%
(Interest-Bearing Debt)	18,083	12,518	+44.5%

(1) The equity increase in relation to the new financing announced in October has not been reflected as of the end of September.
(2) Including refinancing

Point:

Asset:

- **Cash and Deposit:** recorded a syndicated loan of ¥10Bn⁽²⁾ executed in July as well as repayment of existing loans. The equity increase in relation to the new financing announced in Oct. has not been reflected
- **Property and Equipment:** Increased from the previous fiscal year due to an increase of ¥892MM in construction in progress associated with payment for Mission 3 relay satellites

Liabilities:

- **Advances Received:** Increased from the previous fiscal year mainly due to advances received from Draper associated with NASA CLPS
- **Interest-Bearing Debt:** Increased from the previous fiscal year along with the recording of syndicated loan of ¥10Bn⁽²⁾ in July, while making repayments of existing loans

Net Assets:

- The equity increase in relation to the new financing announced in Oct. has not been reflected yet

Jumpei Nozaki: Next, the balance sheet.

On the asset side, cash and deposits were ¥13.1 billion JPY, slightly decreased from the end of the previous fiscal year. This is mainly because, despite the recording of syndicated loan of ¥10 billion JPY, there were also repayments of existing loans and an increase in expenditures and investments along with the mission progress.

Property and equipment were ¥3.4 billion JPY, increased from the end of the previous fiscal year. This was mainly due to the recording of ¥0.8 billion JPY as construction in progress for the payment for Mission 3 relay satellites.

Next on the liability side, advances received were ¥3.5 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 ¥18.0 billion JPY, increased from the end of the previous fiscal year. This was mainly due to the syndicated loan of ¥10 billion JPY arranged by Sumitomo Mitsui Banking Corporation with total 7 financial institutions despite the repayments of existing loans.

Please note that the equity increase in relation to the new financing explained earlier has not been reflected as of the end of September. It will be recorded from Q3 and onward.

Financing CF, including syndicated loan, mostly covers significant loss in Free CF due to the progress of Mission 3 development

i s p a c e

(Millions of yen)	FY2025/3	FY2024/3 (Previous year)
	Q2 Cumulative	Q2 Cumulative
Cash Flow from Operating Activities	-5,325	374
Cash Flow from Investing Activities	-1,053	-501
Free Cash Flow	-6,379	-127
Cash Flow from Financing Activities	5,267	7,807
Change by Share Issuance	24	6,563
Change by Long-term Borrowings	8,691	-674
Change by Short-term Borrowings	-3,451	1,916
Effect of Exchange Rate Change on Cash and Cash Equivalents	291	460
Net Increase (Decrease) in Cash and Cash Equivalents	-820	8,141
Cash and Cash Equivalents at End of Period	16,012	11,522

Point

- **Cash Flow from Operating Activities:**
Continued to be negative due to large amount of development costs for Mission 3 and Mission 2
- **Cash Flow from Investing Activities:**
Capital investment was made mainly in U.S. entity to construct Clean Room and Mission Control Center to carry out Mission 3 and onward
- **Cash Flow from Financing Activities:**
Executed the syndicated loan of ¥108bn⁽²⁾ while making repayments of existing loans. The equity increase in relation to the new financing announced in October has not been reflected yet

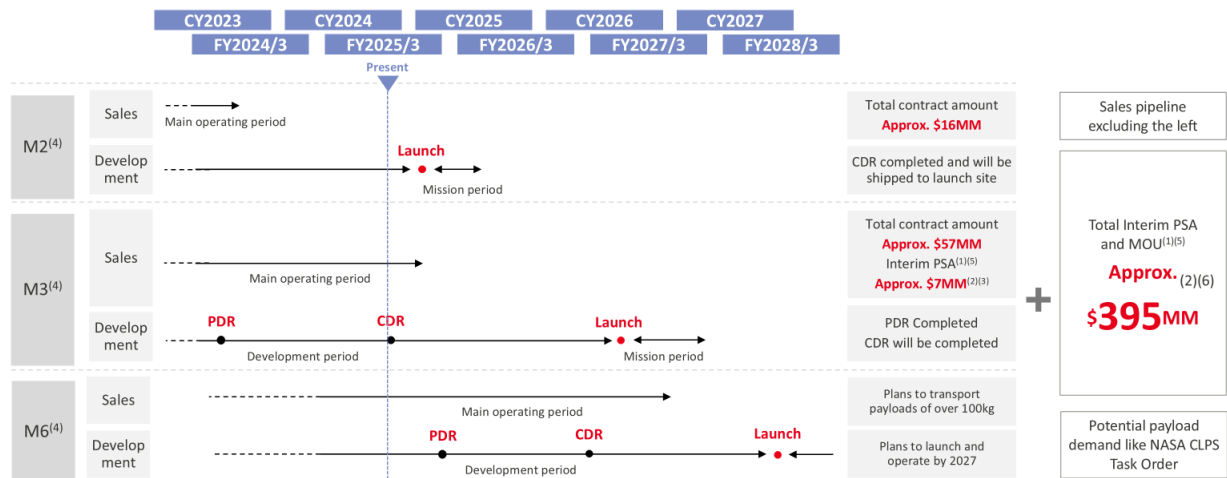
(1) Including refinancing

Jumpei Nozaki: Next, as for the cash flow statement, cash flow from operating activities continued to be negative due to the large amount of development costs for Mission 3 and Mission 2.

Negative ¥1.0 billion JPY was recorded in cash flow from investing activities mainly due to capital investment including Clean Room and Mission Control Center in U.S. entity to carry out Mission 3 and onward.

Cash flow from financing activities mostly covers the negative free cash flow by executing the syndicated loan in July while making repayments of existing loans.

Sales pipeline for Mission 3 onward increased by \$89MM. We will continue aiming to execute final agreements of current iPSAs⁽¹⁾ and to obtain new PSAs from sales pipeline. CDR for Mission 3 Lander will be completed after final internal procedures



(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 November 12, 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.

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 lunar 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 will be shipped to the launch site soon for the upcoming launch.

As for Mission 3, we continue to work on customer acquisition. We will make an announcement of completion of the lander CDR after final internal procedures, then, we will move on to the assembly phase.

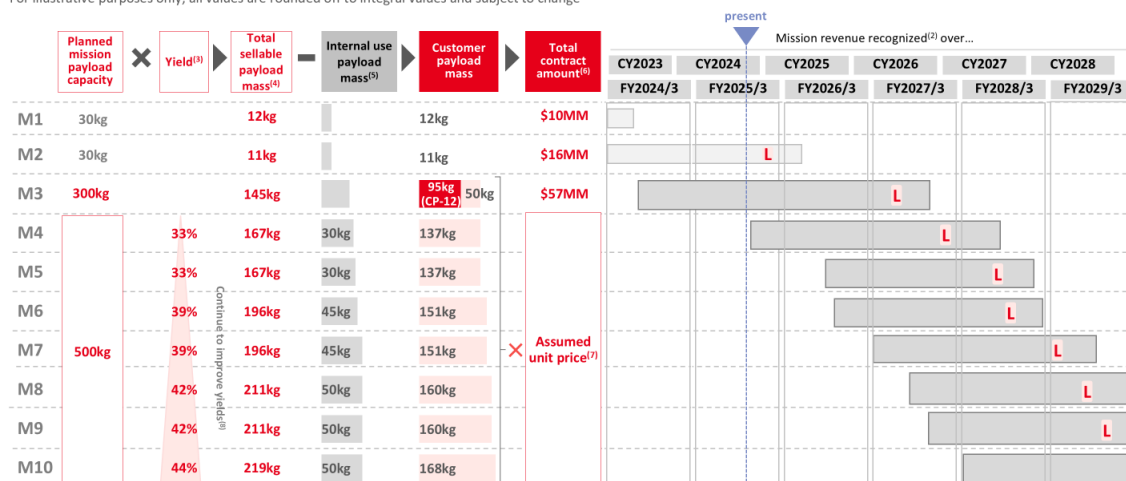
As for Mission 6, PDR for each subsystem is progressing, and we are in discussion with potential customers as the demand for payload service is expected to be further increased due to the Space Strategy Fund.

The sales pipeline with iPSAs and MOUs increased by \$89 million USD from Q1 announcement, 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 Commercial Lunar Payload Service task orders.

Illustrative Business Model of Payload Service

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



(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 November 12, 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 November 12, 2024
 (6) For M1, M2 and M3, the amount is the actual value based on each PSA as of November 12, 2024
 (7) Assumed payload unit price as of November 12, 2024 is approx. \$15MM/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)

Jumpei Nozaki: Finally, let me touch on our illustrative business model. Please note that the future mission schedule and payload mass are based on our simulation at this moment.

As we continuously highlighted, ispace aims to increase lander payload capacity through our consecutive missions, which will enable us to sell more than 100kg payload capacity, thus, net sales to further 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 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.

That concludes our presentation.

And to conclude, CEO Hakamada would like to give a closing note.

Closing Note

Announced Changes of Global Management Structure to Streamline Business Development



From left to right: EU entity CEO Julien-Alexandre Lamamy, CFO Kenichi Imamura, Director&CFO Jumpei Nozaki, Representative Director&CEO Takeshi Hakamada, U.S. entity CEO Ronald J. Garan Jr., Executive Fellow Atsushi Saiki, CTO Ryo Ujirie

CEOs of all three entities will be directly in charge of sales activities

- Changed the management structure in order to **streamline business development and advance sales activity** of three global bases in Japan, the U.S., and Europe
- Business strategy will be supervised by CEO & Founder, Takeshi Hakamada, and CEOs of each entity will be directly in charge of sales activities
- Furthermore, Executive Business Director was newly established in order to strengthen global sales management, and CFO Jumpei Nozaki also serves in this new position
- CRO position was abolished, and Atsushi Saiki, a former CRO, will transition to Executive Fellow with a focus of continuing to promote sales activities

Takeshi Hakamada: Thank you, Nozaki-san. We participated in the IAC again this year and had the opportunity to have dialogues with a great number of people involved in the space industry. We found the congress even more enthusiastic and exciting than last year as many people visited our booth and witnessed the high level of interest in ispace and expectations for our upcoming missions.

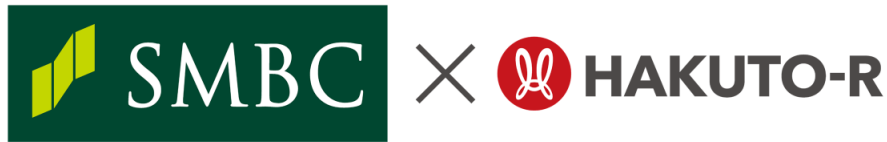
As explained, we have signed various new MOUs and iPSA, which resulted in having a total sales pipeline of over \$400 million USD. The global demand for lunar transportation and exploration are steadily increasing.

ispace's mission as a private sector is to firmly make these pipelines final agreements to achieve sustainable sales growth and monetization.

Therefore, as announced recently, we have updated our management structure to streamline our business development at all three entities.

Me, Ron, CEO of the U.S. entity, and Julien, CEO of the European entity, will directly manage the sales activities of ispace group. In addition, Executive Business Director position has been newly established, and CFO Nozaki will serve as this position in order to further strengthen global sales management.

Chief Revenue Officer position was abolished, and Mr. Saiki will continue to promote sales activities as Executive Fellow.



VENTURE MOON

Takeshi Hakamada: Today, we updated that Mission 2 is scheduled to be launched no earlier than January 2025. Towards the upcoming launch, we are pleased to announce the new mission name and logo.

The new mission name was created together with Sumitomo Mitsui Banking Corporation (SMBC), an official partner.

We have received a message from SMBC and I quote, "We are very pleased to be participating in the HAKUTO-R program as the official partner. As a group, we are actively working to create value with an eye to the future, with the aim of realizing a sustainable society, and we hope that through the growth of the space industry, we can contribute to the next generation of innovation and the creation of new industrial infrastructure, and we would like to support the challenges of the future." Thank you SMBC for that message and your support.

All ispace crew is committed to successfully carry out Mission 2, and we are always grateful for the warm messages and support from our stakeholders including our shareholders, investors, financial institutions, and media.

Thank you very much for your time today. And please stay tuned for our Mission 2!

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