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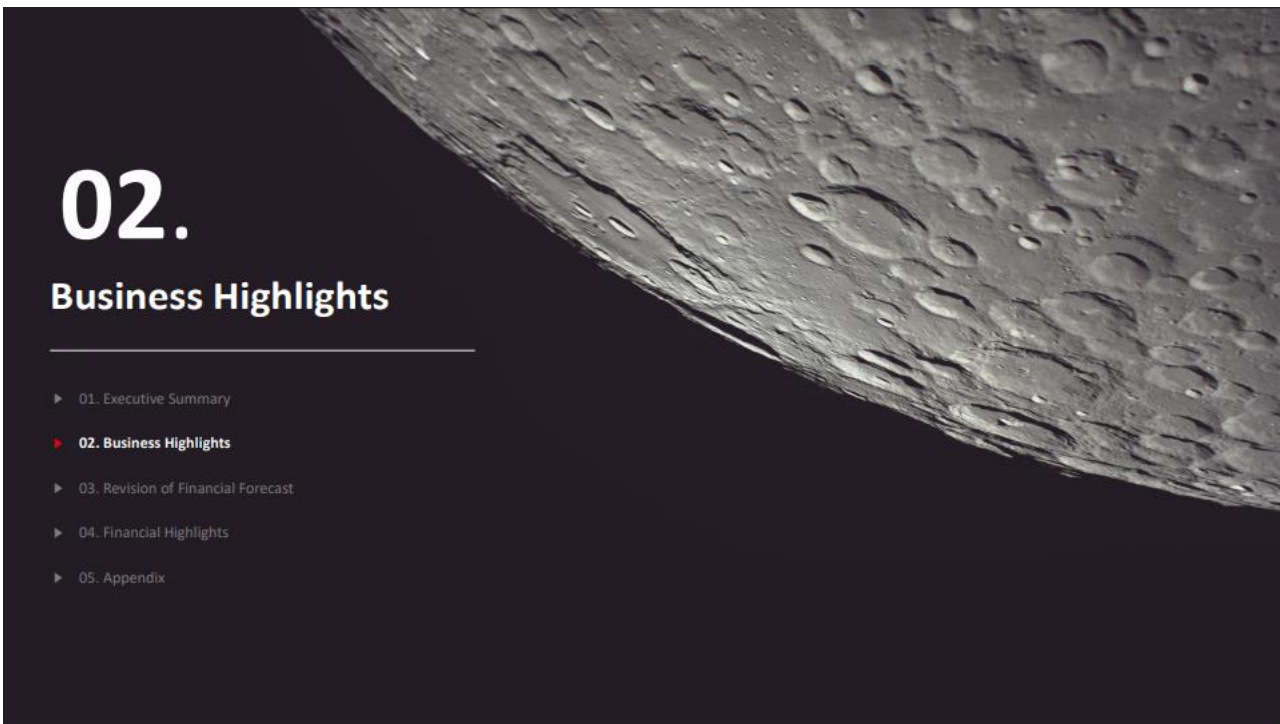
ispace inc.

Transcript of Financial Results Briefing for Q3 of Fiscal Year Ending March 2026

February 10, 2026



Jumpei Nozaki: Hello, this is Nozaki, CFO & Executive Business Director of ispace. Thank you for joining our Q3 financial results briefing.



Today, I would like to start my presentation by providing an exciting update on our business, followed by the revised financial results forecast announced today.


Government policies in Japan and the United States, where our entities are located, are a strong tailwind for ispace



 Presidential Order Specifies Construction of Lunar Base Prototype and Nuclear Reactor

- A new presidential directive signed in December 2025 explicitly states the realization of a crewed lunar landing by 2028 and a lunar nuclear reactor by 2030⁽¹⁾
- The U.S. government strongly supports private sector efforts to build lunar base and develop resources⁽²⁾, which is expected increase demand for lunar business in the U.S. market



 Entrepreneur Isaacman reappointed as NASA's new administrator

- Entrepreneur Isaacman reappointed as NASA Administrator, outlines plans to accelerate Artemis Program and revitalize space economy through private sector leadership⁽²⁾
- A revised budget amendment maintaining the previous year's funding level was passed, reversing plans for significant cuts and enabling NASA to resume operations⁽³⁾



 CEO Hakamada participated in Japan's Growth Strategy Council

- At the aerospace review meeting chaired by Minister of State for Special Missions Onoda, CEO Hakamada presented proposals for building a lunar economy and public-private investment partnerships
- Aims to incorporate private sector expertise into space strategy supporting national security and economic growth

(1) <https://www.whitehouse.gov/presidential-actions/2025/12/ensuring-american-space-superiority/>

(2) <https://www.planetary.org/articles/nasa-is-funded-how-what>

(3) <https://www.planetary.org/articles/advocacy-success-fy2026-nasa-budget>

Before that, let's revisit an external environment. The environment surrounding the lunar business, particularly government policies in Japan and the U.S., is providing significant tailwinds for our business.

In the U.S., around one year after the Trump administration took office, Mr. Jared Isaacman has finally been appointed as NASA's new administrator. Isaacman, who transitioned from an entrepreneur to a private astronaut, has outlined plans to accelerate the Artemis program and advance private-sector-led space business initiatives.

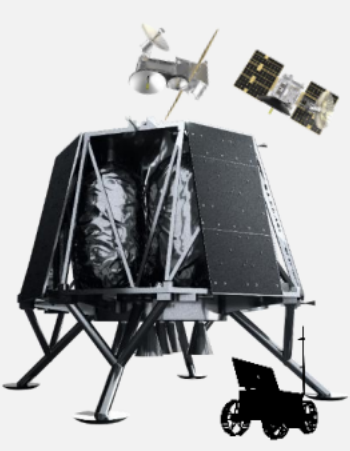
While space policy under the Trump administration had been uncertain, President Trump issued a very important executive order last December. This order clearly states goals such as a crewed lunar landing by 2028 and the realization of a lunar nuclear reactor by 2030, demonstrating a strong commitment to making "the Moon" the centerpiece of U.S. space policy.

In Japan, CEO Hakamada participated in the Aerospace Working Group of the "Japan Growth Strategy Council", chaired by Minister of State for Special Missions Onoda. CEO Hakamada made proposals to accelerate private-sector-led space development. As space emerges as a next-generation core industry supporting both national security and economic growth, ispace will continue to actively contribute from a private-sector perspective to support Japan's space development efforts.

(Launch in 2027⁽¹⁾)

TEAM DRAPER COMMERCIAL MISSION 1 Mission3 overview

Hardware Test in progress



Relay Communication Satellites

- Two relay communication satellites, named "Alpine" and "Lupine," are planned to be deployed in lunar orbit.
- Plans to provide data services to customers starting with Mission 3 and beyond

APEX 1.0

- 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

Micro Rover

- Planned to be installed following Mission 2


Highlights

- Scheduled to launch in 2027⁽¹⁾
- Defined as a commercial mission with the ability to carry up to 300kg payloads to the Moon
- Member of Team Draper Commercial Mission 1 selected for NASA CP-12
- Delivery near the south pole on far side of the Moon

Payload Customer Sales in progress

Private-sector (P) Academia (A) Government (G)

Total contract amount: \$86Mn⁽²⁾



- Team Draper Commercial Mission 1: Transporting multiple experiments for NASA as part of Task Order CP-12
- Control Data Systems: ultra wide band
- Italian Space Agency: laser retroreflector array
- Magna Petra: Mass Spectrometer Observing Lunar Operations

(1) The missions and schedules, as shown above, are as of February 10, 2026 and may be subject to change

(2) As of February 10, 2026. The values are rounded off to integral values

(Launch in 2028⁽¹⁾)

METI SBIR Mission Mission4 overview

Hardware PDR⁽²⁾ in progress



SERIES 3 LANDER⁽³⁾

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


Highlights

- Scheduled to launch in 2028⁽¹⁾; thermal structural tests completed, proceeding to structural model development
- Part of mission costs supported by the grant of \$81Mn⁽⁴⁾ representing the largest budget size⁽⁵⁾ under the SBIR program⁽⁶⁾. (Recognition as non-operating income commenced in FY2025/3. Planned for lump-sum recognition at each fiscal year-end)

Payload Customer Sales in progress

Private-sector (P) Academia (A) Government (G)

Total contract amount: \$40Mn⁽⁷⁾



Institute of Science Tokyo: lunar orbit satellite

"This is the payload in relation to the awarded project called "Development and demonstration of lunar water resource exploration technology (sensing technology)" for 1st phase of SSF"

Taiwan Space Agency (TASA): Vector Magnetometer and Ultraviolet Telescope

(1) It was originally agreed with the the Ministry of Economy, Trade and Industry and the SBIR Secretariat that the launch would be within 2027, but as of February 10, 2026, the launch is expected within 2028 according to our in-house development plan. This change is in the process of being coordinated with the relevant ministries and agencies and the SBIR Secretariat, and the plan change will be officially approved after receiving approval from the Minister of Economy, Trade and Industry.

(2) Preliminary Design Review (PDR). Review to confirm design results against specification values and feasibility of design verification plan.

(3) Tentative name and the design of the image is subject to change in the future.

(4) As of February 10, 2026. The amount is calculated using a TTM rate for currency conversion as of August 31, 2025.

(5) As of February 10, 2026.

(6) We were selected for the SBIR (Small Business Innovation Research) grant by the Ministry of Economy, Trade and Industry. 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 following interim reviews.

(7) Of the total contract amount of \$5.8Bn, up to \$4.7Bn is an estimated amount to be received based on the proposal submitted by Institute of Science Tokyo to JAXA, under its \$5.4Bn project adopted in the second phase of the Space Strategy Fund. The amount is subject to change depending on stage-gate review, and the full amount is not guaranteed to be contracted. The amount is calculated using a TTM rate for currency conversion as of August 31, 2025.

Moving on to mission progress. For Missions 3 and Mission 4, there have been no major updates during this quarter regarding mission itself or total contract value. Regarding development progress, there is one update regarding engine development, which I would like to explain later.

The exciting update is about "Mission 6".

(Launch in 2029⁽¹⁾)
**JAXA SSF2
 Mission**

Mission 6



Selected for the \$136Mn Space Strategy Fund theme. Utilize JAXA SLIM's high-precision landing technology

Technology Development Theme	Exploration, etc. (Phase II) High-Precision Landing Technology in Lunar Polar Regions
Maximum Support Amount ⁽²⁾	Up to \$136Mn ⁽³⁾
Lander Model	SERIES 3 LANDER ⁽⁴⁾ 

Three Key Points of This Selection

Point 1: Utilize landing technology demonstrated by JAXA SLIM

- The "pinpoint landing" is a unique Japanese technology first demonstrated globally by SLIM
- JAXA announced its policy to transfer this technology to the private sector and promote its technological maturity⁽⁵⁾. For this mission, we will utilize the technology

Point 2: Formal commencement of Mission 6 development

- We will develop an improved lander based on the Series 3 lander model, aiming for a 2029 launch⁽¹⁾

Point 3: Expect to secure the majority of mission costs

- Through this selection, ESA's budget allocation through MAGPIE (details on p.10), as well as reduced development costs resulting from the use of mass production models, we expect to cover Mission 6 costs and improve mission profitability

⁽¹⁾ The missions and schedules, as shown above, are as of February 10, 2025 and may be subject to change

⁽²⁾ This figure is subject to change based on future stage gate reviews and other factors; therefore, full receipt of the amount is not guaranteed at this time.

⁽³⁾ Including launch and space demonstration costs. The amount is calculated using a TTM rate for currency conversion as of August 31, 2025.

⁽⁴⁾ Tentative name and the design of the image is subject to change in the future.

⁽⁵⁾ <https://bloggate.iskai.com/articles/DG4232HC2181D011012025000000>

In January 2026, ispace was selected for the Space Strategy Fund second phase theme, the "High-Precision Landing Technology in Lunar Polar Regions". This represents significant support from the Government with a maximum amount of 136 million U.S. dollars. With this selection, we have officially decided to start development of Mission 6.

Going forward, the initial contract is scheduled to be signed, followed by phased contract execution after subsequent stage gate reviews. The grant is also scheduled to be received in phases according to the contracts.

The key point of this mission is that ispace utilizes the pinpoint landing technology demonstrated by JAXA's SLIM project in 2024, with our own lander. This pinpoint landing technology represents an area where Japan can demonstrate significant global technical advancement. We aim to demonstrate lunar surface landing with extremely high precision—within a radius of 100 meters from the target location, as a commercial lander by a private company.

Furthermore, with this selection and the budget secured from the European Space Agency, which I will report on the next slide, we anticipate that Mission 6 will mostly cover its costs, therefore, significantly improve mission profitability compared to our past missions.

(Launch in 2029⁽¹⁾)JAXA SSF2
Mission

Mission 6

The European Space Agency has secured \$76Mn⁽²⁾ as the MAGPIE budget. Contracts are expected to be signed

Funding Target	MAGPIE: Lunar exploration project with ESA using rovers
Budget Amount	Total \$76Mn ⁽²⁾

Industrial Opportunities Small Missions				
Subject of procurement:	Mission for Advanced Geophysics and Polar Ice Exploration (MAGPIE) - Phase 2	MoonRAD Phase A/B1	Mini Phase A/B1	Moonraker Phase A/B1
Procurement Procedure:	Direct Negotiation consortium led by iSpace Europe S.A. (LU)	Direct Negotiation consortium led by RemRED(HU)	Direct negotiation consortium led by University of Copenhagen (DK)	Direct negotiation consortium led by Nuview GmbH (DE)
Tender issue planned:	Q1 2026	Q1 2026	Q1 2026	Q1 2026
Contract duration:	3 years	4-6months (Phase A) 1 year (Phase A+B1)	4-6months (Phase A) 1 year (Phase A+B1)	4-6months (Phase A) 1 year (Phase A+B1)
Budget earmarked:	65M€ (including launch service cost)	3 ME	1.5 ME	3 ME

Source: ESA's online webinar held on January 14, 2026

(1) The missions and schedules, as shown above, are as of February 10, 2026 and may be subject to change

(2) Converted using the TTM rate as of the end of December 2025. Decimals are truncated. The amount may change based on future

Aiming to secure contracts for the allocated \$76Mn⁽²⁾

- In Phase 1 of the "MAGPIE" project previously contracted with ESA, the research results were evaluated, and ESA has announced securing an additional **budget of \$76Mn⁽²⁾** for the subsequent phase entering the demonstration stage (an increase of approx. \$29Mn from the Q2 announcement)
- The total contract value for the entire MAGPIE project, including previously signed contracts and those expected to be signed in the future, is projected to reach \$79Mn⁽³⁾
- Within this budget, we anticipate a research and development contract for the rover and a lunar transportation contract with the rover as a payload

contract details, and full receipt of the amount is not guaranteed.

As I just mentioned, an outstanding progress has been made in Europe. iSpace Europe has been advancing Phase 1 of the "MAGPIE Project," an R&D initiative led by ESA. The achievements of this phase have been recognized, and ESA has recently announced the successful securing of a substantial budget of up to 76 million U.S. dollars for the Phase 2 contracts.

While the formal contract with ESA is yet to be finalized, this outcome reflects the steady progress made over the past eight years since the establishment of iSpace Europe and building a relationship with ESA. Moving forward, we will continue our R&D efforts, aiming to realize Europe's first lunar exploration mission using the rover.

(Launch in 2029⁽¹⁾)JAXA SSF2
Mission

Mission 6 Overview

Hardware Development Started⁽²⁾

SERIES 3 LANDER



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

Small Rover

- Is to be transported and conduct lunar exploration as part of the MAGPIE project

(1) This mission and schedule are as of February 10, 2026, and are subject to change.

(2) Tentative name and the design of the image is subject to change in the future.

(3) Converted using the TTM rate as of August 31, 2025. The amount may change due to future stage gate reviews, etc., and full receipt is not guaranteed.

Mission Overview

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

Payload Customer

Sales in progress

Private-sector Academia Government

Budget secured from ESA



European Space Agency (ESA):
MAGPIE Phase 2
Secured total budget of \$77Mn⁽⁴⁾; part expected from R&D sales, part from payload sales

(4) Converted using the TTM rate as of the end of December 2025. Decimals are truncated. The amount may change based on future contract details, and full receipt of the amount is not guaranteed.

Building on these two major projects, JAXA's Space Strategy Fund second phase and ESA's MAGPIE Project, we will steadily advance the development of Mission 6 which is scheduled for launch in 2029.

Established a local subsidiary in Saudi Arabia. Following Japan, Europe, and the U.S., we aim to secure major contracts with the space agency and research institutions

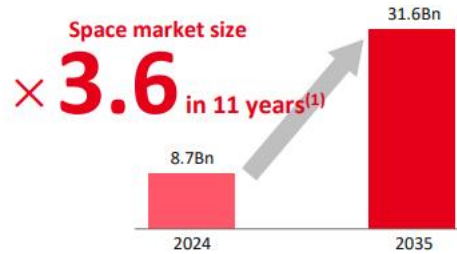


Establishment of Fourth Global Entity with Support from Both Governments

- Announced of Saudi Arabia entity establishment at the Saudi-Japanese roundtable meeting under the Saudi-Japanese Vision 2030 led by METI Akazawa and Saudi Minister of Investment Al-Falih
- This will enable close collaboration with key government entities, research institutions, and commercial partners, and support the full-scale expansion of our business operations in Saudi Arabia

(1) KSA SPACE MARKET REPORT 2025(https://www.cst.gov.sa/ar/mediacenter/Documents/KSA_Space_Market_Opportunity_Report.pdf)

(USD)



Growth Rate Exceeding the Global Average and Abundant Capital

- The Saudi Arabian space market is rapidly expanding at an average annual growth rate of 12%⁽¹⁾, significantly exceeding the global average (9%), and is projected to reach \$31.6Bn by 2035
- The Vision 2030 program being advanced in the country strongly promotes economic diversification efforts to reduce dependence on crude oil, with strengthening the space sector being one such initiative

We also have several updates regarding the progress of future missions.

We have decided to establish our fourth global entity in the Kingdom of Saudi Arabia, following Japan, Luxembourg, and the United States. In January 2026, the announcement was made in conjunction with the Japan-Saudi Vision 2030 Ministerial Roundtable held in Riyadh. We will support the development of payloads originating from Saudi Arabia and begin to consider lunar missions in the Kingdom.

Successfully concluded contracts with JAXA. Strengthening collaboration across all fronts: transportation, technology development, and environmental preparation.



Jointly exploring lighter and more efficient landers with JAXA⁽¹⁾

- A contract signed with JAXA for joint research on "Resource Optimization of a Lunar Lander Propulsion System Using Electric Pumps"
- Jointly conducting optimization studies to improve system efficiency and reduce weight of the lander by applying electric pump technology developed by JAXA

(1) For details regarding this matter, please refer to the press release issued on December 23, 2025



Commissioned by JAXA to conduct studies for realizing a sustainable cis-lunar economy⁽²⁾

- With anticipated increased future lunar activities, a contract signed for "Analysis for Space Debris Mitigation in Lunar Orbit and Disposal Management on the Lunar Surface"
- We will assess the effectiveness, from a private-sector perspective, of rules for Artemis Accords signatories on lunar surface and lunar orbit debris mitigation and spacecraft disposal management

(2) For details regarding this matter, please refer to the press release issued on January 14, 2026

In Japan, we have concluded two contracts with JAXA concerning propulsion system optimization and the reduction of space debris on and around the moon. We will strengthen our collaboration with JAXA not only in our transportation or data business but also comprehensively such as technology development and environmental preparation which would contribute to building the infrastructure for the future Cislunar economy.

Following the "HAKUTO-R" Partnership Agreement⁽¹⁾, New Agreements Reached on Strategic Collaboration toward Building the Cislunar Economy



(From left) Mr. Harada, Director and Head of Business Protection Department, JAL; Mr. Suzuki, Executive Officer and Head of Innovation Division, JAL; Takashi Hosokawa, CEO & Founder, i space; Mr. Akao, Executive Officer and Head of Aviation & Airport Business Division, JAL

Agreement Reached on Strategic Partnership with Kurita Water Industries for Water Resource Development⁽⁴⁾

- A basic agreement on a strategic partnership has been signed, aiming to create business opportunities for securing water resources and building supply infrastructure on the lunar surface in the future
- By combining Kurita Water Industries' long-cultivated water treatment technologies and expertise with our track record in commercial lunar exploration and transportation services, we aim to establish sustainable water resource infrastructure in space

⁽¹⁾ HAKUTO-R is a program involving two missions—lunar orbiting and lunar landing—using Japan's first privately developed lunar lander. The partnership agreement refers to the contract for customer marketing support services conducted through HAKUTO-R.

Agreement Reached on Exploring Collaboration with JAL Group in Lunar Transportation and Operations⁽³⁾

- Leveraging JAL Group's expertise cultivated in aviation—including maintenance technology, air traffic control, and operations management—the collaboration will advance the co-creation of systems and infrastructure supporting future lunar habitats and high-frequency takeoffs/landings of transport vehicles
- New collaborations regarding space-related services for retail customers will also be explored

⁽²⁾ For details regarding this matter, please refer to the press release issued on December 4, 2023, or details regarding this matter, please refer to the press release issued on December 4, 2023.

We are continuing our relationship with the partner companies of the HAKUTO-R program, which concluded last December, shifting from sponsorship to strategic collaboration.

We will advance collaboration with Kurita Water Industries on lunar water resource development, with the Japan Air Line Group in the field of lunar transportation and operations, as well as on new services such as payload transportation for retail customers.

Co-creation with Domestic Startups & Industry-Academia: Contributing to Lunar Base Construction through Improving Payload Efficiency and Space Strategy Fund-Subsidized Studies



Takashi Hosokawa, CEO & Founder of i space Inc. (left) and Shinichiro Nakagawa, Representative Director of Dymon Inc. (right)

Signed an MOU with Dymon regarding the Development of Payload Transportation Box⁽²⁾

- Based on our accumulated technology and expertise and Dymon's proven track record in developing rovers, jointly exploring the development of a highly efficient payload transportation box
- Simplifies payload transportation and deployment, which are previous barriers for non-space industries entering lunar development, through the transportation box, targeting a broader customer base

⁽¹⁾ For details regarding this matter, please refer to the press release issued on January 30, 2025.



Selected for the Space Strategy Fund as a collaborating institution alongside lead institution Ritsumeikan University⁽¹⁾

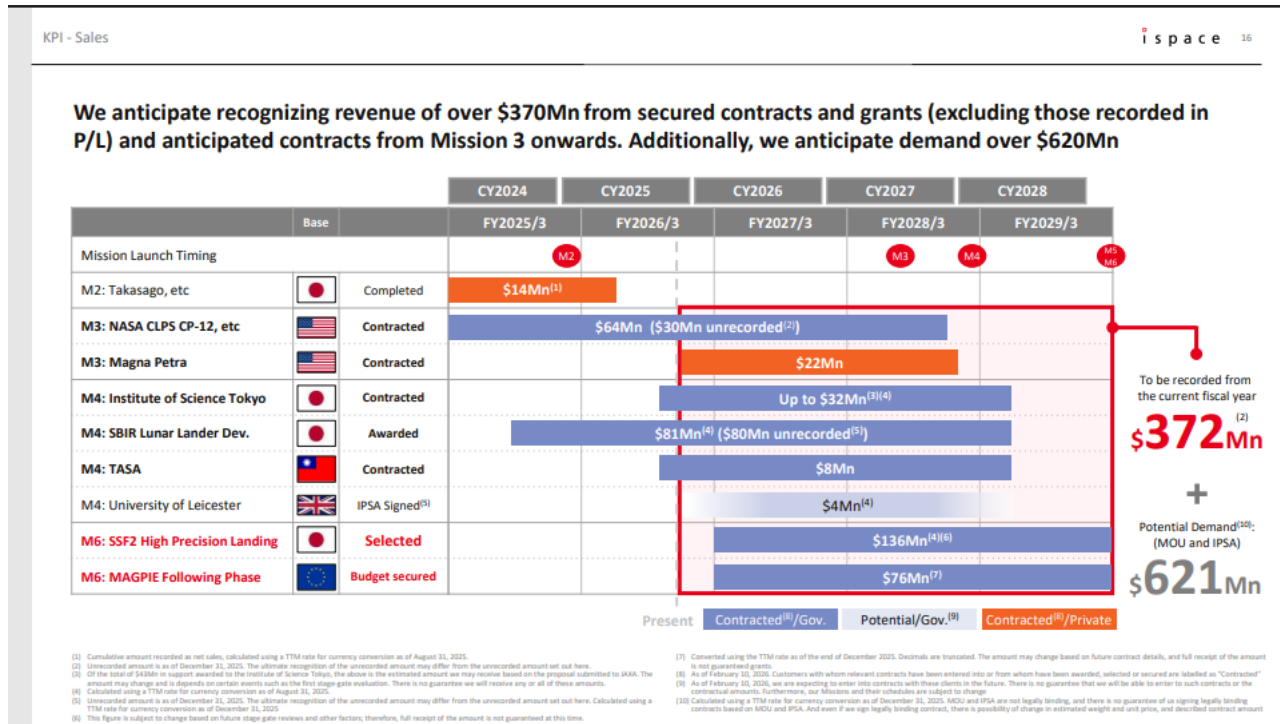
- Selected for the Space Strategy Fund Phase 2 project "Establishing Surveying and Ground Investigation Technologies to Realize Lunar Base Construction" with Ritsumeikan University as the lead institution
- The team aims to establish a design framework for civil engineering structures to contribute to the potential construction of lunar base

⁽²⁾ For details regarding this matter, please refer to the press release issued on November 4, 2023.

Furthermore, we are considering jointly developing a "payload transportation box" with a Japanese startup, Dymon. This aims to lower the barriers for lunar payload transportation and create an environment that facilitates easier entry into lunar business.

Progress has also been made in industry-academia collaboration. We will collaborate with Ritsumeikan University who has been selected for the second phase project of the Space Strategy Fund. We will jointly conduct research toward future lunar base construction.

We will continue to build relationships and collaborate both domestically and internationally, while also pursuing proactive sales activities aiming to secure future payload customers.



Regarding sales KPIs, two projects under Mission 6 have recently been “Selected” and “Secured,” which we believe clearly demonstrates our probability of contract execution and sales progress.

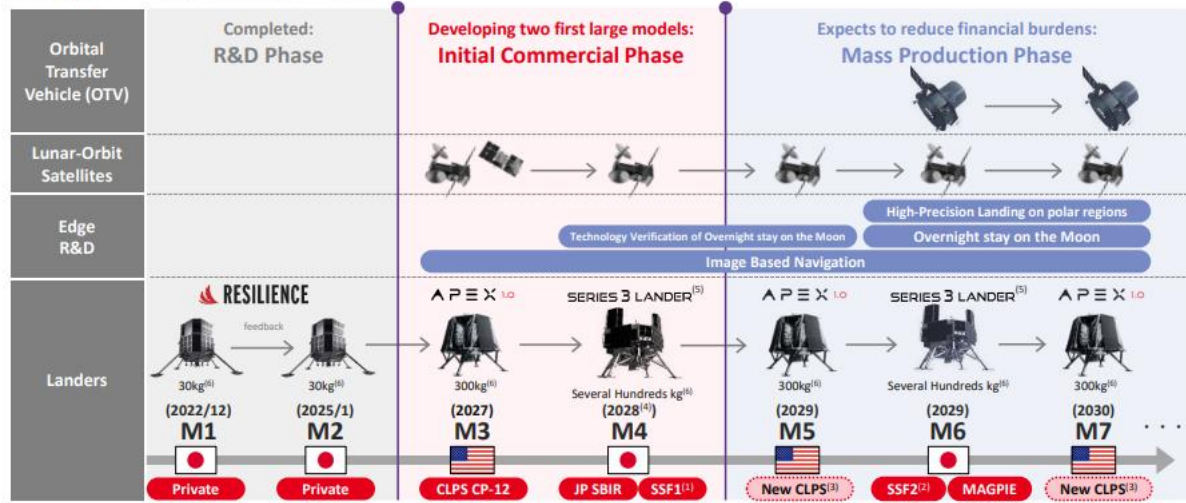
The budget for the MAGPIE project has increased from 47 million U.S. dollars to 76 million U.S. dollars.

ispace has already secured a total sales pipeline of 372 million U.S. dollars on the project revenue basis, including projects with a reasonable probability of acquisition.

Please note the timing of revenue recognition. Even if the launch itself is several years away, revenue recognition begins upon contract signing, based on progress. Currently, many large projects are entering their revenue recognition phase, and we expect to cumulatively generate revenues totaling 372 million U.S. dollars over time. Furthermore, we have identified 621 million U.S. dollars in potential demand and will steadily convert these into final contracts.

Regarding development KPI, Mission 3 continues its review aimed at completing the CDR in the near future. Additionally, Mission 4 has moved forward to assembly of the structural model and is progressing toward completing the PDR. We will continue to provide updates on development progress.

Steadily incorporate lessons learned from M2 into M3 and M4 under the current “Initial Commercial Phase”, and aim to expand profitability for each mission by development cost reductions and further sales growth in the subsequent “Mass Production Phase”



Above is our estimation of mission and schedule as of February 02, 2026, and may be change.
 (1) Indicate APEX's SSF Phase 1+
 (2) Indicate APEX's SSF Phase 2+
 (3) We have not officially decided to apply these clients, and there is no guarantee of us winning the contracts for those we have applied.
 (4) Initially, we have agreed with NASA and ISRO office for launching within 2027, however, based on our company's current development plan as of 2025/10/01, the launch is expected to be within calendar year of 2026. This change is still under discussion with related ministries and ISRO office, official change of schedule will be determined after approval of Minister of Economy, Trade and Industry.
 (5) Estimation as of February 02, 2026. The name is subject to change in the future. The lander design described in this materials is subject to change.
 (6) Maximum Payload Capacity.

This slide shows our mission progress, including updates to date.

We have now transitioned from the “R&D Phase” through Mission 2 to the “Initial Commercial Phase.”

With the decision to commence development of Mission 6, the path to the subsequent "Mass Production Phase" has become clear. We aim to improve profitability for each mission by reducing development costs through mass production and sales growth.



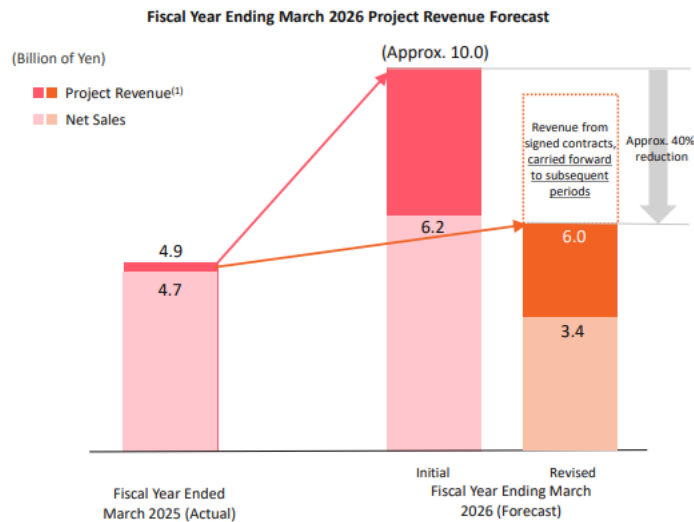
03.

Revision of Financial Forecast

- ▶ 01. Executive Summary
- ▶ 02. Business Highlights
- ▶ 03. Revision of Financial Forecast
- ▶ 04. Financial Highlights
- ▶ 05. Appendix

Moving on, today, ispace has announced a revision to our financial forecast for this fiscal year ending March 2026, which was initially disclosed in May 2025.

Project revenue⁽¹⁾ is expected to decrease by approx. 40% from the initial plan. However, majority of the decrease stems from the deferral of revenue recognition from existing signed contracts to the next fiscal year and beyond. The total contract value, or “the company's earning power”, remains unchanged



Point: "Project Revenue" (Company estimate)

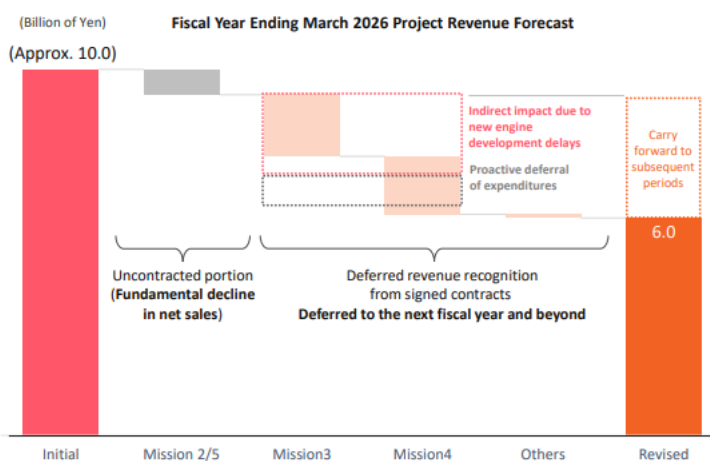
- Project Revenue, which includes revenue from SBIR grants in addition to Net Sales, is expected to decrease by approx. 40% compared to the initial forecast
- However, the majority of the decrease stems from the deferral of revenue recognition from existing signed contracts to subsequent periods, and the total contract value remains unchanged
- **Note that these differ from “revenue decrease” resulting from contract losses or weakened demand, and the company's earning power remains unchanged**
- The deferral to the next fiscal year and beyond is due to delay in payments and development expenditures caused by mission development progress (details on the following pages)

First, we have revised our forecast for "project revenue" which combines net sales and subsidy income booked inside non-operating income, as key metric representing our earning power. For this fiscal year, the project revenue forecast is 6 billion Yen, approximately 40% lower than the initial forecast.

At first glance, this 40% appears to be a significant minus. However, it is important to recognize that the dotted box which represents the majority of the revenue decrease, consists of revenue from already signed contracts being carried forward to the next fiscal year and beyond.

Please note that there has been no contract loss or weakened demand, as would typically be seen in a “revenue decrease.” In other words, the company's earning power, represented by the total contract amount, remains unchanged.

Fundamental net sales decrease of the Project Revenue is limited to a small portion, while the majority is deferred to the next fiscal year and beyond. The deferral is primary due to longer than expected time to achieve the performance of the new engine for Missions 3 and 4



Point: Comparison with Initial Forecast

- **Mission 2/5:** Impact of reduced net sales due to the M2 landing failure, and reduction due to the not yet selected by the U.S. project (CLPS⁽²⁾) planned as Mission 5 sales
- **Mission 3:** Delay of the payments tied to development milestones occurred due to delay in achieving the required specific impulse during performance tests for the new engine development. Under the cost recovery method, deferred revenue was insufficient to cover incurred costs, resulted in delayed revenue recognition
- **Mission 4:** Similar to M3, delays in new engine development and the proactive deferral of expenditures for other components have caused delayed receipt of SBIR grant
- **Other:** Due to factors such as the deferral of subsidy income from contracts already concluded at the European subsidiary

Here is a more detailed breakdown of the factors contributing to the decrease in project revenue. The revenue loss resulting from the failure to yet secure the new contract for Mission 5 and the partial revenue reduction due to the landing failure in Mission 2 represent only a very small portion, as shown in gray.

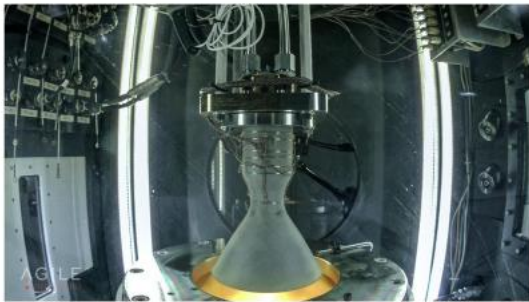
I would like to emphasize once again that the vast majority of the revenue reduction factors are “deferrals to the next fiscal period or later,” not actual contract losses or reductions in total contract value.

The reason for this deferral is primarily due to the new engine development schedule for Missions 3 and 4, which has been taking longer than initially planned. This delay will cause a postponement in payments from Draper tied to development milestones for Mission 3, resulting in reduced project revenue for this period.

Also, for Mission 4, in addition to deferring expenditures due to the delay in the new engine development, we proactively postponed spending on multiple development components to optimize cost timing. Under the SBIR grant structure, funding is disbursed quarterly based on costs incurred. Therefore, reducing costs will also reduce the amount of subsidy income received.

Status of New Engine Development i space 21

Development of the "VoidRunner" engine is progressing, but the discovery of a necessary propellant architecture change requires added development time and could impact mission schedule



(Review) Status as of May 2025

- It was determined by ispace and Agile Space Industries that a original propellant architecture was experimental and carried unnecessary risk and development schedule
- As a countermeasure, it was decided to pivot to a traditional equal volume MMH/MON-3 propellant and jointly develop the new engine "VoidRunner"
- **Agile is investing in the development of the Voidrunner engine, while ispace-U.S. is developing the valves** that control the engine's output

Status as of February 2026

- Agile has been conducting 4 design-iteration/hot-fire test cycles of the Voidrunner engine and has demonstrated acoustic and thermal stability. However, the required performance and fuel efficiency have not yet been demonstrated, requiring additional iterations
- Once successful, the resulting Voidrunner engine/valve assembly is expected to have cutting edge performance while being one of the first throttling MMH/MON3 engine developed since the Apollo era
- Switching to an alternate engine provider is an option if further delays in the engine development and testing with Agile become unacceptable. While Team Draper Commercial Mission 1 (ispace Mission 3) has committed to NASA for the development effort, Mission 3 could be delayed due to this development delay
- We will continue to closely monitor the new engine development status and disclose information in a timely manner

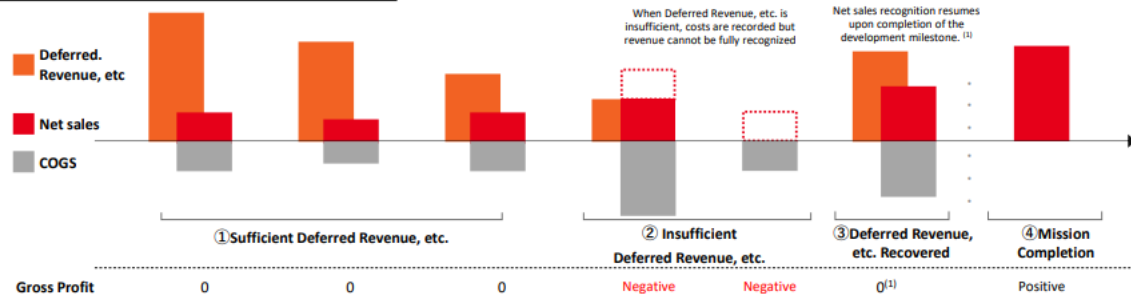
The announcement to jointly develop the new engine named “Void Runner”, was made in May 2025 by Agile space and ispace. Agile space has been conducting performance tests since last year, however, achieving the required performance levels for the mission, the specific impulse, which can be considered as engine's fuel efficiency—is taking longer than anticipated.

We continue to pursue improvements and testing to achieve the required performance. However, as a backup measure, we may also consider switching to an alternative engine in case achieving the required performance proves difficult.

If we switch to an alternative engine or if continued development of the current Void Runner requires additional time to achieve the necessary performance, there is a risk of delaying the launch schedule for Mission 3. We will continue to provide timely updates on the development status of the new engine.

Under the cost recovery method, net sales and COGS are recorded at equal amounts, capped by deferred revenue related to development milestones, whether received or to be received (collectively, “Deferred Revenue, etc.”). When Deferred Revenue, etc. is insufficient, net sales are only partially recognized, resulting in negative gross profit

Relationship Between Deferred Revenue, etc. and Net Sales



- ① Under the cost recovery method, in principle gross profit during the mission period is zero, since net sales and COGS are recorded at equal amounts capped by the amount of Deferred Revenue, etc. received from customers in advance
- ② When the Deferred Revenue, etc. is insufficient, the full amount of COGS cannot be recognized as net sales, resulting in a negative gross profit
- ③ When customer payments are scheduled upon achievement of development milestones, revenue recognition resumes within the scope of Deferred Revenue, etc. ⁽¹⁾
- ④ At mission completion, the amount remaining from the total contract value minus previously recognized revenue is recognized as revenue in a lump sum

⁽¹⁾ Regarding the cost amount that could not be recognized as revenue during period ② due to insufficient Deferred Revenue, etc., discussions are ongoing with the audit firm about whether it will be retroactively recognized as revenue at point ③ (in which case gross profit would temporarily show a surplus).

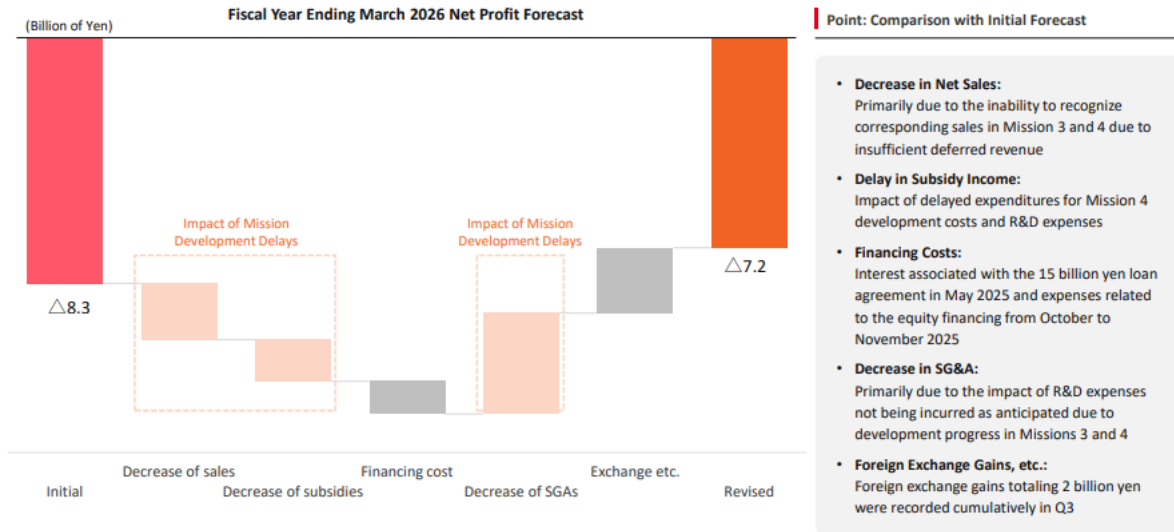
Earlier, regarding Mission 3, I explained the decrease in net sales due to delayed payments from the customer. For your reference, this illustrates the relationship between deferred revenue, net sales, and costs under the cost recovery method.

Under the cost recovery method, which we currently apply to our Mission 3 and Mission 4, net sales equivalent to cost of goods sold are recognized up to the amount of deferred revenue related to development milestones, whether received or to be received. Therefore, if sufficient deferred revenue is available, gross profit will be zero during the mission period, and a profit will be realized upon mission completion.

On the other hand, insufficient deferred revenue in this third quarter resulted in a situation where net sales could not be recognized despite costs being incurred, as shown on the middle part of the slide.

Consequently, gross profit temporarily turned negative. Please note that we resume recognizing the net sales once deferred revenue is received from customers following completion of development milestones.

Similar to net sales, delays in Mission 3 and 4 expenditures due to engine development setbacks impacted net loss. Exchange gains also contributed, resulting in an improvement in net loss



This slide explains the factors contributing to the change in our net profit forecast. Similar to Net Sales, delay of development progress caused revenue decrease, which impacted a decrease of net profit. Meanwhile SG&As are also deferred for the same reason. Consequently, the net loss forecast is expected to improve.

Revised fiscal year forecast on Net Sales basis. Net loss forecast has improved due to the deferral of development expenses and foreign exchange gains

(Millions of yen)	FY 2026/3 (Forecast)	FY 2026/3 (Forecast)		
	Revised Forecast	Initial	% Change	Change
Project revenue ⁽¹⁾	6,000	— ⁽²⁾	-	-
Net Sales	3,400	6,200	△45.2%	△2,800
Gross Profit	△1,400	500	-	△1,900
Gross Profit Margin	-	8.1%	-	
SG&A	8,600	12,000	△28.3%	△3,400
Operating Profit/Loss	△10,000	△11,500	-	+1,500
Ordinary Profit/Loss	△7,200	△8,300	-	+1,100
Net Profit/Loss	△7,200	△8,300	-	+1,100

- Point: Comparison with Initial Forecast**
- Net Sales:** Decreased primarily due to insufficient deferred revenue from customers for Mission 3, resulting in delayed customer payments compared to projections
 - Gross Profit:** The loss is expected as COGS were recorded while net sales was not recognized due to insufficient deferred revenue for Mission 3 and 4
 - Operating Income/Loss:** Primarily due to delayed expense recognition from engine development delays in Missions 3 and 4, and the impact of deferring development costs flexibly
 - Net Income:** Although SBIR grant income (non-operating income) decreased due to delayed development cost recognition for Mission 4, increased from the previous forecast due to factors such as foreign exchange gains

⁽¹⁾ Our estimated figures, calculated by adding income from SBIR grants (non-operating income) to accounting net sales
⁽²⁾ The previous forecast did not disclose specific figures for project revenue. The numerical range illustrated in the chart was based on an estimated figure of approximately ¥10 billion.

As a result, our revised financial forecast for the current fiscal year is as shown.

To repeat, we have revised our project revenue forecast for this fiscal year from the initial forecast of approximately 10 billion Yen to 6 billion Yen, a reduction of about 40%. However, the majority of this revenue decrease will be carried forward to the next fiscal year and beyond. Rest assured, the total contract value, which represents the company's earning power, remains unchanged.

This concludes our explanation of the revised performance forecast.



04.

Financial Highlights

- ▶ 01. Executive Summary
- ▶ 02. Business Highlights
- ▶ 03. Revision of Financial Forecast
- ▶ **04. Financial Highlights**
- ▶ 05. Appendix

Finally, I will explain the financial statements for Q3.

Profit and Loss Statement i s p a c e 26

Delays in developing the new engine for Mission 3 resulted in a delay in recognizing net sales and a decrease in net loss for the period compared to the previous year

(Millions of yen)	FY 2026/3	FY 2025/3 (Previous Year)		FY 2026/3 (Forecast) Disclosed today, February 10	
	Q3 Results	Q3 Results	% Change	Full Year Forecast	% Progress
Net Sales ⁽¹⁾	2,743	1,989	37.9%	3,400	80.7%
Gross Profit	△667	368	-	△1,400	-
Gross Profit Margin	-	18.5%	-	-	-
SG&A	6,281	6,802	△7.7%	8,600	73.0%
Operating Profit/Loss	△6,948	△6,434	-	△10,000	-
Ordinary Profit/Loss	△6,240	△6,779	-	△7,200	-
Net Profit/Loss	△6,246	△7,365	-	△7,200	-

Point: YoY comparison

- **Net Sales:**
Sales increased YoY due to progress in M3 development, while its recognition was delayed related to M3 occurred in the Q3
- **Operating Income/Loss:**
Delayed net sales recognition and cost recognition for M4 resulted in negative gross profit. Operating loss increased YoY
- **Net Income/Loss:**
Net loss was ¥6.2Bn, primarily due to the impact of foreign exchange gains recorded in Q3, representing a YoY decrease. Furthermore, SBIR grant income related to M4 received through this fiscal year is scheduled to be recognized as non-operating income in a lump sum in Q4

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

Net sales reached 2.7 billion Yen, reflecting progress in Mission 3 development, and increased year-on-year.

Operating loss was 6.9 billion Yen, increased year-on-year due to factors including the delayed revenue recognition mentioned earlier.

Net loss was 6.2 billion Yen, decreased year-on-year. Please note that regarding SBIR grant income related to Mission 4, the amount received through this fiscal year is scheduled to be recorded in the fourth quarter as non-operating income in a lump sum.

SG&A decreased YoY due to a shift in the focus of expense recognition from R&D to cost of goods, driven by the progress of M4 development

(Millions of yen)	FY 2026/3	FY 2025/3 (Previous Year)	
	Q3 Results	Q3 Results	%Change
R&D	2,705	3,709	△27.1%
Salary and Allowance	1,573	1,185	32.7%
Other	2,003	1,906	5.1%
Total	6,281	6,802	△7.7%

Point: YoY comparison

- R&D Expenses:**
 In Japan entity, the focus of mission cost recognition shifted from R&D to COGS with the transition from M2, a R&D mission, to M4, resulted in R&D expense to decrease YoY
- Salaries and Allowances:**
 Increased by 32.7% YoY due to an increase in the total number of employees across the group (+31 employees compared to the same period last year)
- Other:**
 Expenses for the Q3 decreased YoY, with the cumulative total remaining flat compared to the same period last year

SG&As decreased by 7.7% compared to the same period last year. This is mainly due to the shift in mission cost recognition from R&D to COGS following the transition from Mission 2 to Mission 4 in Japan Entity.

Capital increase from October to November 2025 reinforced net assets, securing stable liquidity

(Millions of yen)	FY 2026/3	FY 2025/3	
	Q3 Results	Q4 Results	%Change
Current Asset Total	38,598	19,067	102.4%
Cash and Deposit	34,273	13,117	161.3%
Short Term Advances	3,042	3,620	△16.0%
Non-Current Assets Total	12,219	8,121	50.5%
Property and Equipment	5,822	4,859	19.8%
Long Term Advances	5,815	2,997	94.0%
Total Assets Total	50,818	27,189	86.9%
Current Liabilities Total	4,830	3,854	25.3%
Advances Received ⁽¹⁾	1,991	2,695	△26.1%
Short Term Debt	1,689	0	-
Long Term Liabilities Total	29,142	16,326	78.5%
Long Term Debt	28,979	16,096	80.0%
Liabilities Total	33,972	20,181	68.3%
Net Assets Total	16,845	7,007	140.4%
Liabilities&Net Assets Total	50,818	27,189	86.9%
(Interest-Bearing Debt)	30,669	16,096	90.5%

Point: Comparison from FY2025/3 Q4

- Assets:**
Cash and Deposits: Increased from the previous fiscal year-end mainly due to ¥18.2Bn capital increase conducted in October-November 2025, securing sufficient cash on hand
Advance Payments: Increased compared to the previous fiscal year-end, mainly due to procurement of components for M3 and M4
- Liabilities:**
Interest-bearing Debt: Increased compared to the end of the previous fiscal year due to borrowing in May 2025
- Net Assets:** The increase from the previous fiscal year-end was mainly due to ¥18.2 billion capital increase, securing net assets for immediate business progress

(1) Total of contract liabilities and advance payments

Finally, regarding the balance sheet, cash and deposits on the asset side reached 34.2 billion Yen, primarily due to the impact of the public offering and third-party allotment totaling 18.2 billion Yen, which was conducted in the third quarter. This ensured stable liquidity on hand. Additionally, net assets increased to 16.8 billion Yen, establishing a solid financial foundation.

i s p a c e

Never Quit the Lunar Quest

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This concludes our presentation. For the fireside chat and Q&A, please refer to the Japanese recording. Thank you very much for listening.

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