

Financial Results

Q2

Fiscal Year Ending

March 2025

ispace

2024.11.12

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Executive Summary of Q2 of Fiscal Year Ending March 2025

Business Environment	• Participated in the IAC(1) , the world's largest space-related congress, to accelerate global customer development
Our Development	• **Mission 2**: Launch timing updated. Our preparation towards the launch is progressing smoothly; the lander will transport to the launch site soon • **Mission 3:** Ready to carry out consecutive commercial missions • **Mission 6**: Development progressing smoothly. 1st deposit of SBIR program grants was completed
Our Business	• Signed MOUs(1) and iPSAs(2) totaling $99MM with 7 global entities, now aiming to move forward to final agreements
Our Financials	• Equity program agreement announced on Oct. 11 to secure sufficient funding for future missions

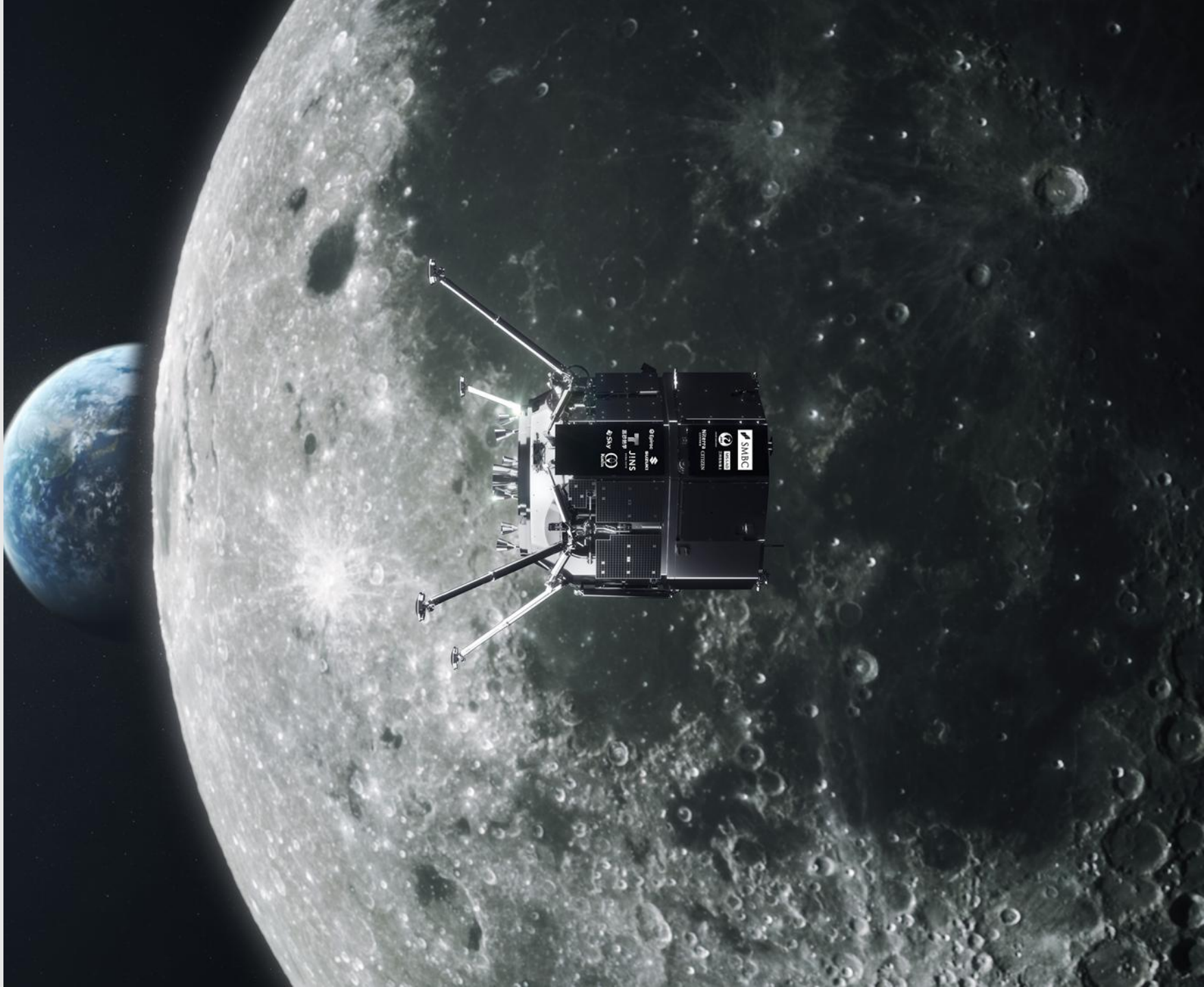
(1) International Astronautical Congress (2) Memorandum of understanding (3) Interim Payload Service Agreement

01

Business Highlight

Contents:

- Business Environment
- Progress of Mission 2
- Progress of Mission 3
- Progress of Mission 6
- Mission Plan
- Progress in Developing Global Customers
- Changes of Global Management Structure
- IR activity



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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/

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

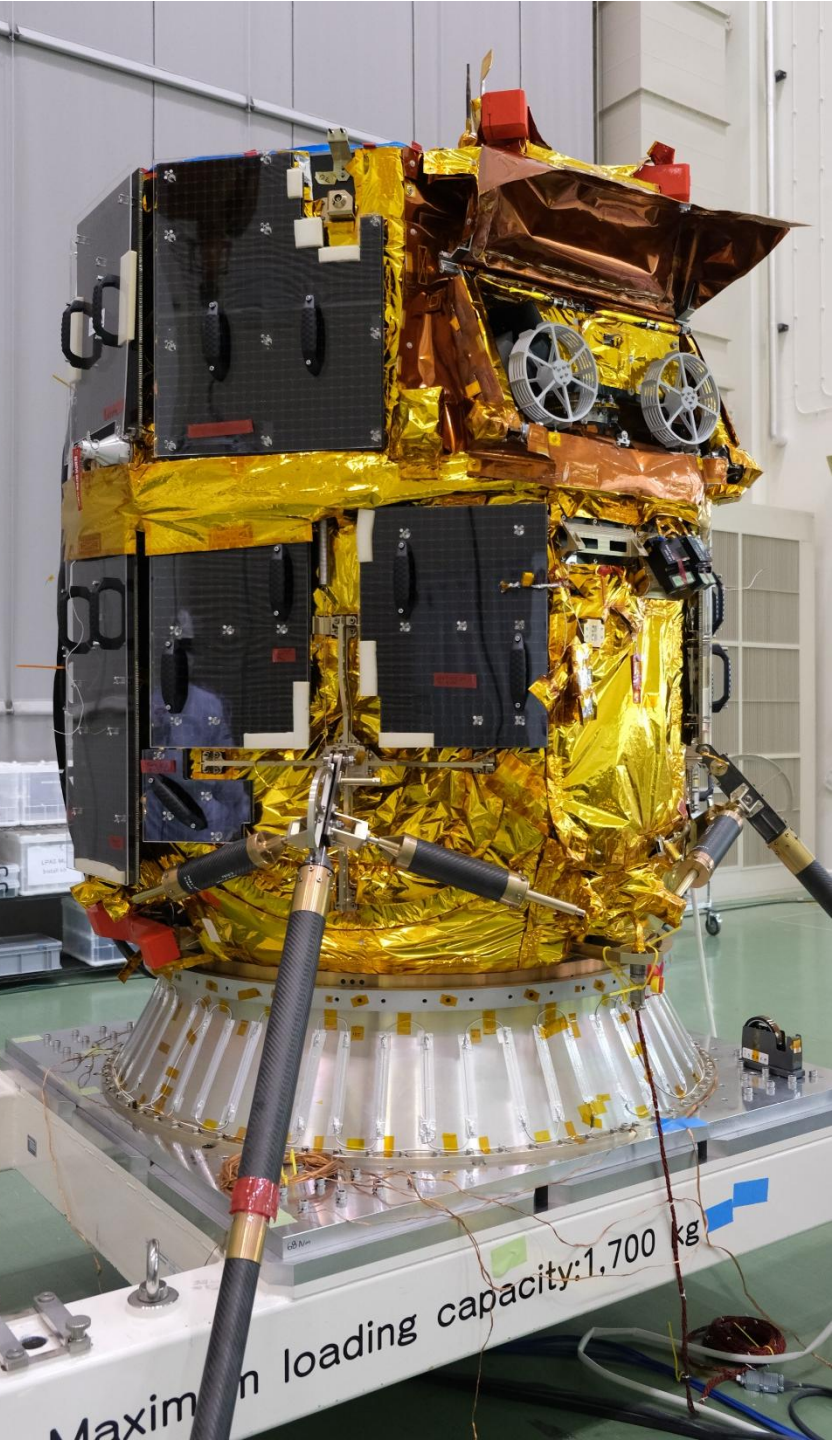


From left to right: Geraldine Naja, IAF, Tory Bruno, CEO of ULA & award recipient, Takeshi Hakamada, Founder & CEO of ispace & award recipient, Carlo Mirra, IAF.

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

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



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.



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Launching soon!

Mission2

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. $16MM(2)

- Takasago Thermal Engineering — Water-splitting experiment
- euglena — Lunar algae-cultivation equipment
- Deep Space Radiation Probe
- BANDAI NAMCO — "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)

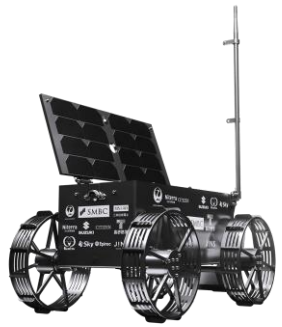
Approx. 340kg (Dry: unfueled)

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

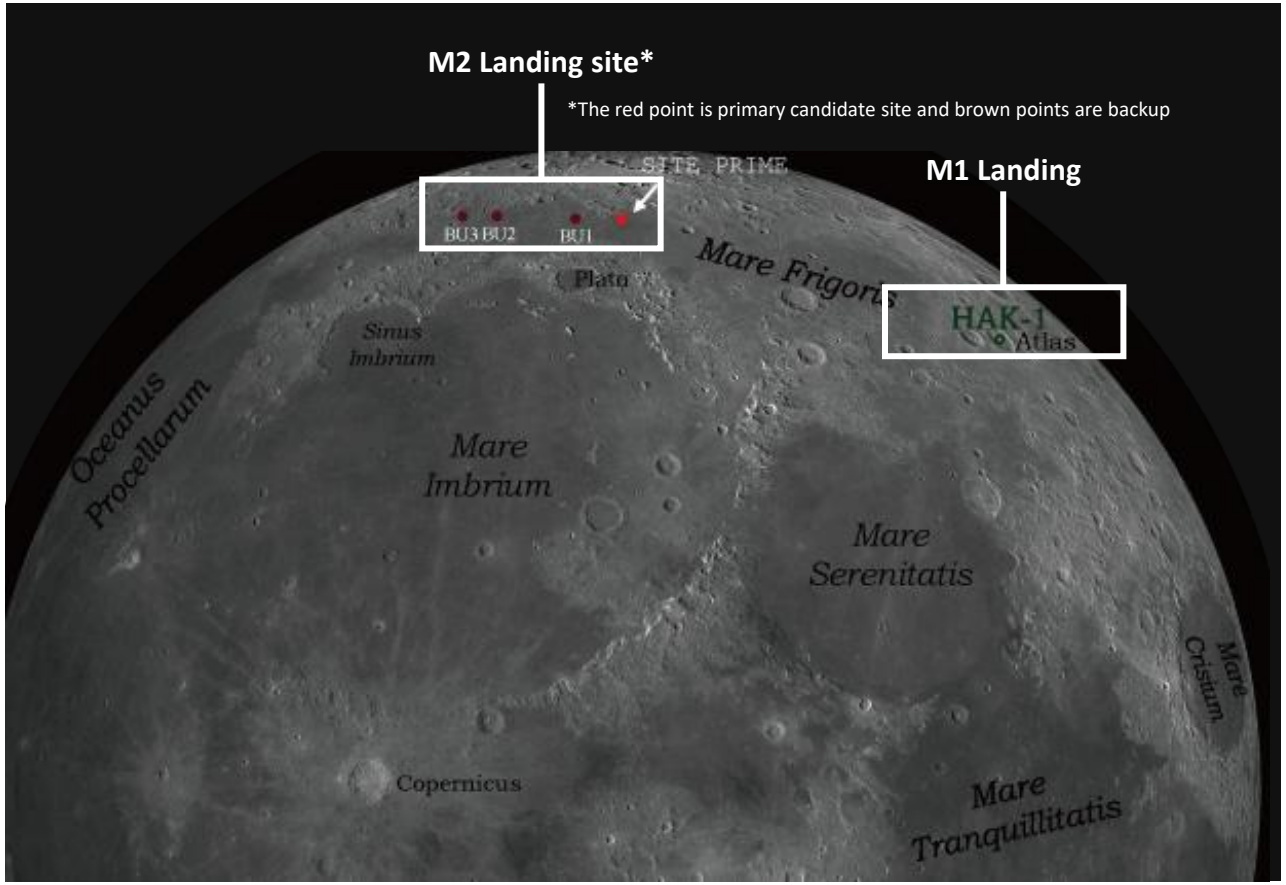
(2) Assumptions as of November 12, 2024. The values are rounded off to integral values

Launching soon!

Mission2

Mission Progress

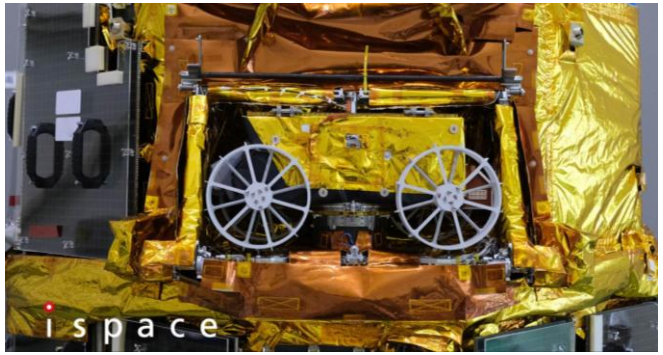
Revealed M2 landing site “Mare Frigoris”! TENACIOUS rover was integrated to RESILIENCE lander, ready to be shipped to the launch site



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

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Launching soon!

Mission2

Sales Progress

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

1 Official Partner

SMBC

11(2) Corporate Partners

JAPAN AIRLINES
MS&AD Mitsui Sumitomo Insurance
Niterra
CITIZEN
SUZUKI
Takasago Thermal Engineering
Sky
Epiroc
JINS Magnify Life
KURITA

7 Supporting Companies

HILLTOP Challenge makes the innovation
Fujikin
TORAY Toray Carbon Magic Co.,Ltd.
BANDAI NAMCO
THE UNIVERSITY of ADELAIDE
YOKOGAWA
TOKYO KEIKI

3 Media Partners

TBS
朝日新聞
小学館

(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

Launching soon!

Mission2

Sales Progress

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

HAKUTO-R | SMBC 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

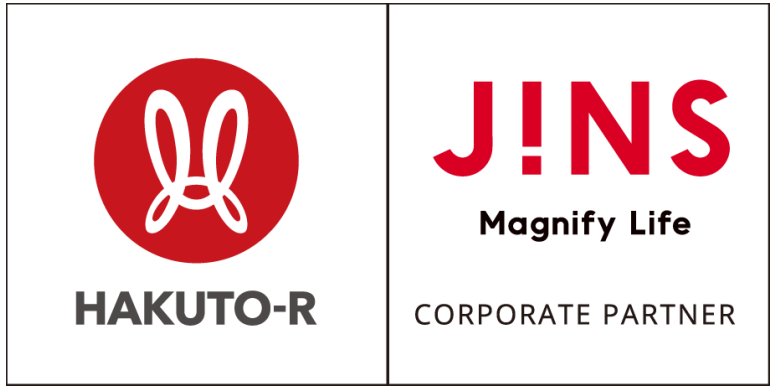
(1) A broad concept that includes creating new markets, technologies, and infrastructure that support the realization of a sustainable society.

Launching soon!

Mission2

Sales Progress

JINS and Kurita Water 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 kind of world we will see, what kind of scenery we will see, and the excitement that will be revealed by the “light we have yet to see”

Kurita Water joined as a Corporate Partner

- A Japanese water treatment facility and chemical manufacturer, Kurita Water, 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 has been working with JAXA to develop a water recycling system for the International Space Station

2026

Mission3

Mission Description

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

Payload Customers

Sales in progress

Total Contract Amount:

Approx.

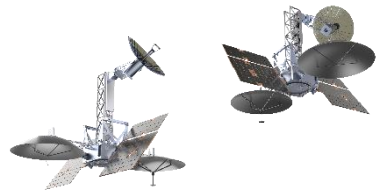
$**57** MM[2]

NASA	Multiple Experiment Devices
RHEA SPACE ACTIVITY	Jervis Autonomy Module
CDS WIRELESS	Ultra Wide Band

Lander 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

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

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2027

Mission6

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

SBIR

Small Business Innovation Research



Grant of

Approx. $**80**MM

Payload Customer

TBD

In discussions with prospective customers

Lander to be used

PDR[(6)] in progress

Series 3 Lander[(7)]

Size

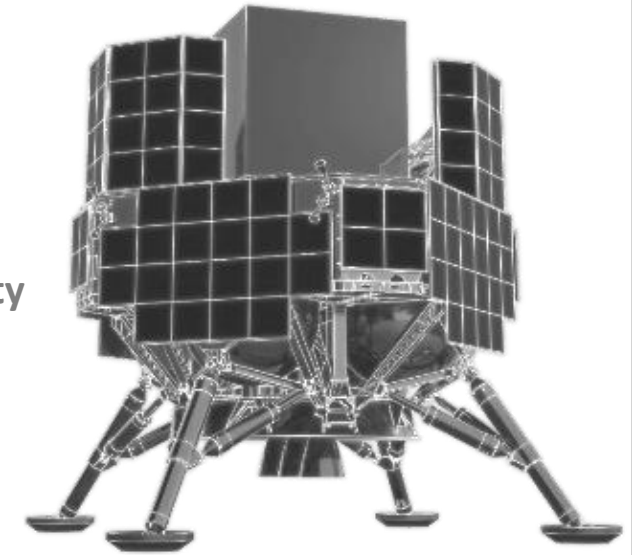
Approx. 3.6m tall by 3.3m wide (standing, including its legs)

Mass

Approx. 1,000kg (Dry: unfueled)

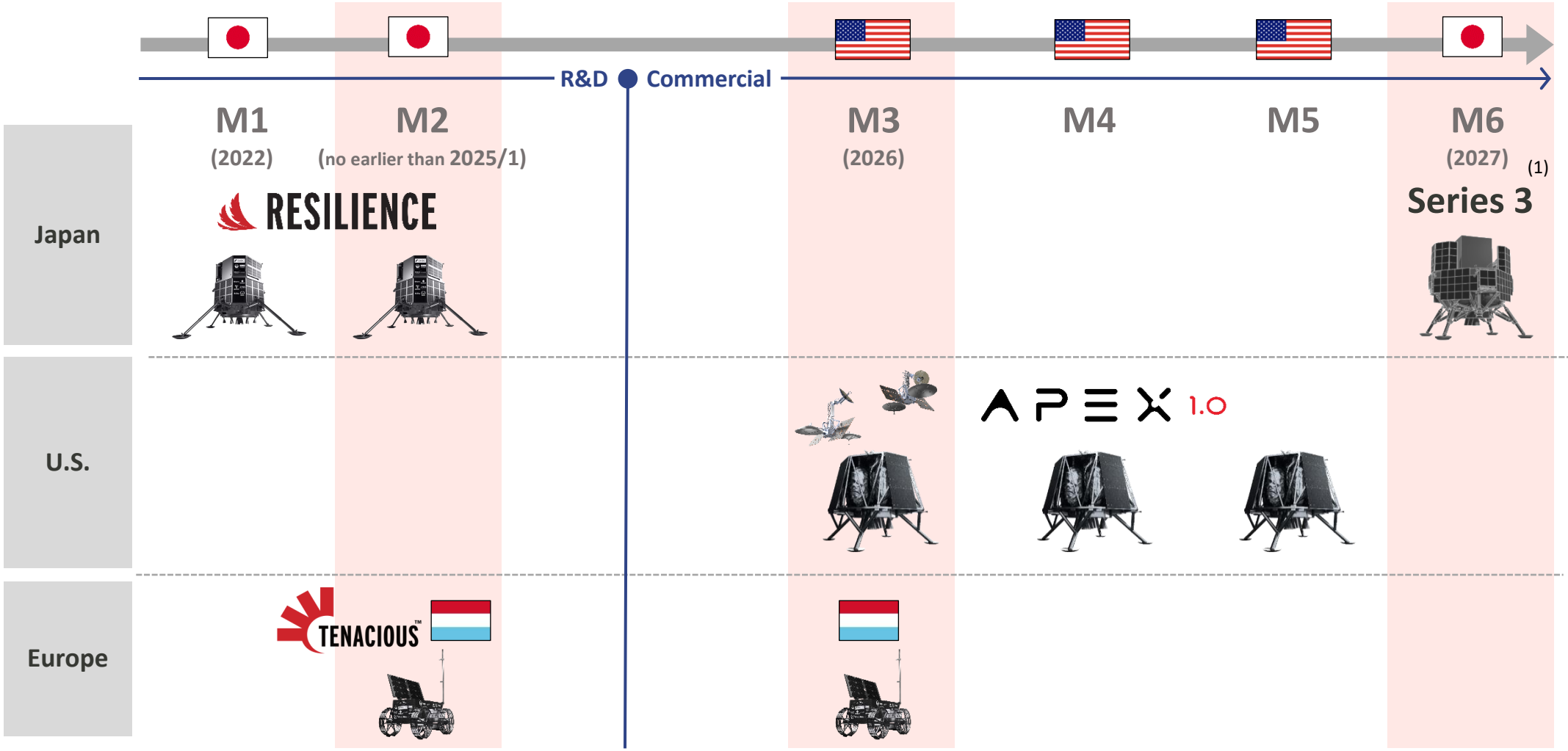
Design Payload Capacity

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.

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.

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

HEX20 (India)

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



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

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



mu Space CEO、GISTDA Director、ispace Executive Fellow

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



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

Uzbekspace 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

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

Astroport (U.S.)

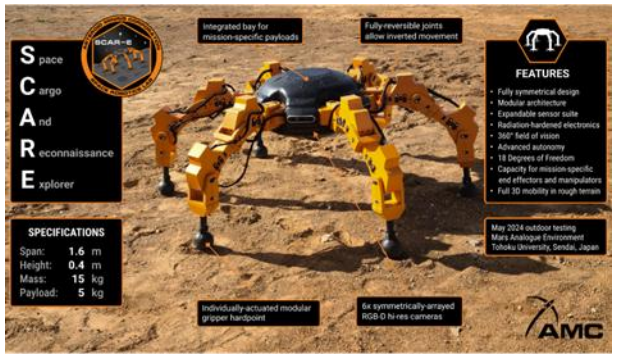
- U.S. entity signed MOU with Astroport Space Technologies (Astroport), a space construction and materials manufacturing company, at IAC
- The MOU is intended that APEX 1.0 lander will deliver and deploy Astroport's scientific instruments to the lunar surface



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

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



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

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

Announced Changes of Global Management Structure to Streamline Business Development



From left to right: EU entity CEO Julien-Alexandre Lamamy, CPO 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 Ujiie

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

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

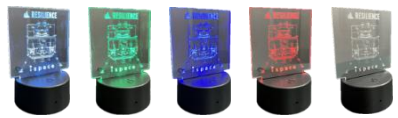
- Attended six IR seminars for retail investors in Japan
  - Sep. 8: seminar hosted by IR vendor (transcript and recording)
  - Sep. 7: seminar hosted by IR vendor (transcript and recording)
  - Sep. 29: seminar hosted by IR vendor
  - Oct. 3: seminar operated by SBI Securities (recording)
  - Oct. 22: 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.

02

Financial Results

Contents:

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

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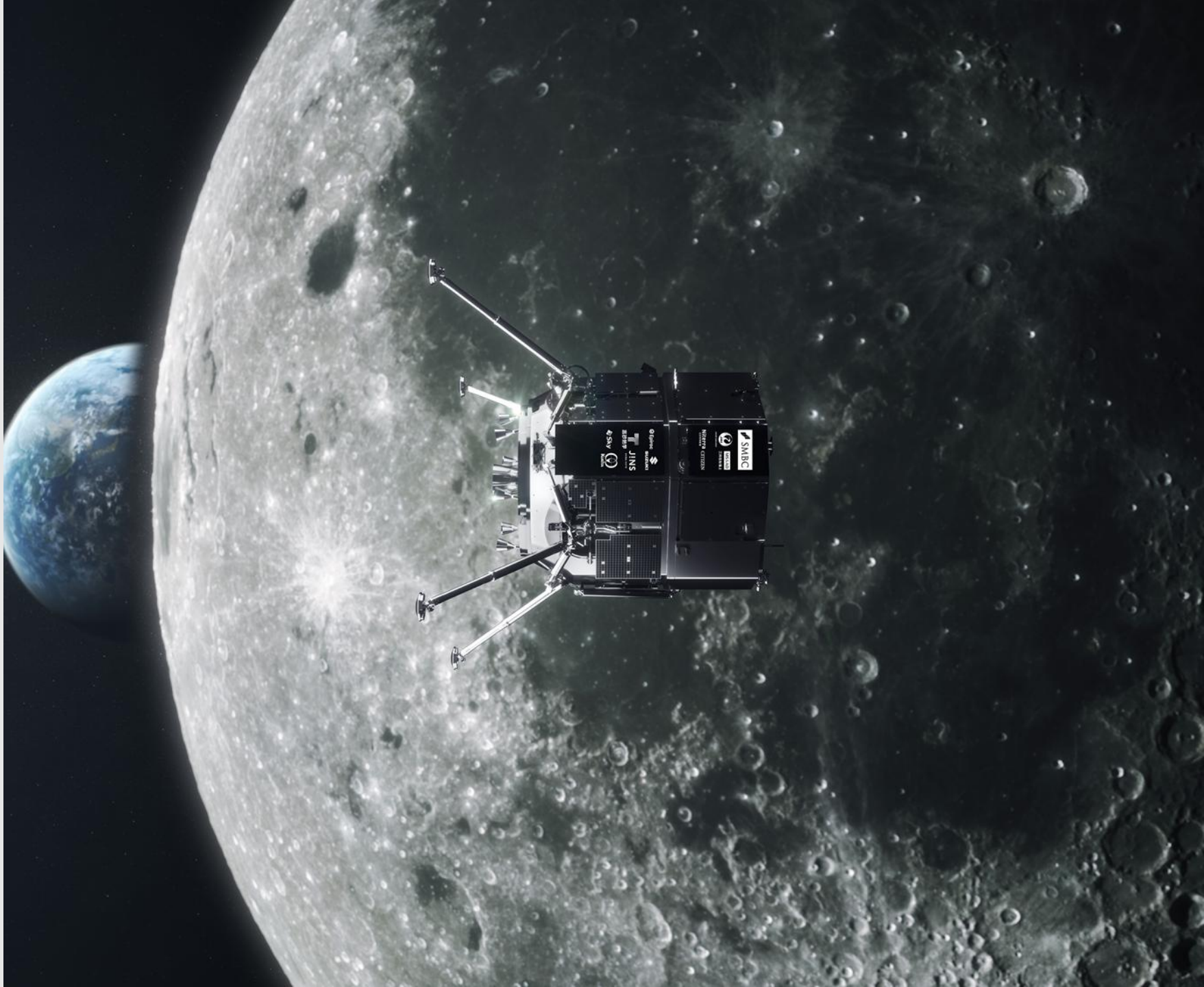

New
Financing

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

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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

Background of the third-party allotment

U.S.

APEX 1.0

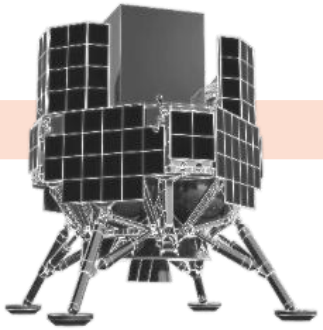
M3 (2026)



JAPAN

Series 3 Lander (2)

M6 (2027)



- 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

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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

Base Capital Increase
(Completed by the end of 2025/3)

Capital increase by common stock
Total number of shares issued: 11M shares (2.75M shares each)

Announcement date	Amount raised(1)
1st：2024/10/11	**1,655.50MM JPY (based on 10/10 closing price)**
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)
4th：2025/3/11	TBD (based on the closing price on the day before the announcement date)

Estimated total amount (4 times)	Assumptions for stock prices in the 2nd through 4th announcement in the estimation
Approx. 6.6Bn yen(5)	Ex：based on 10/10 closing price
10.1Bn yen	Maximum amount stated in the shelf registration statement

Upside Capital Increase
(Potential capital increase through 2029/3)

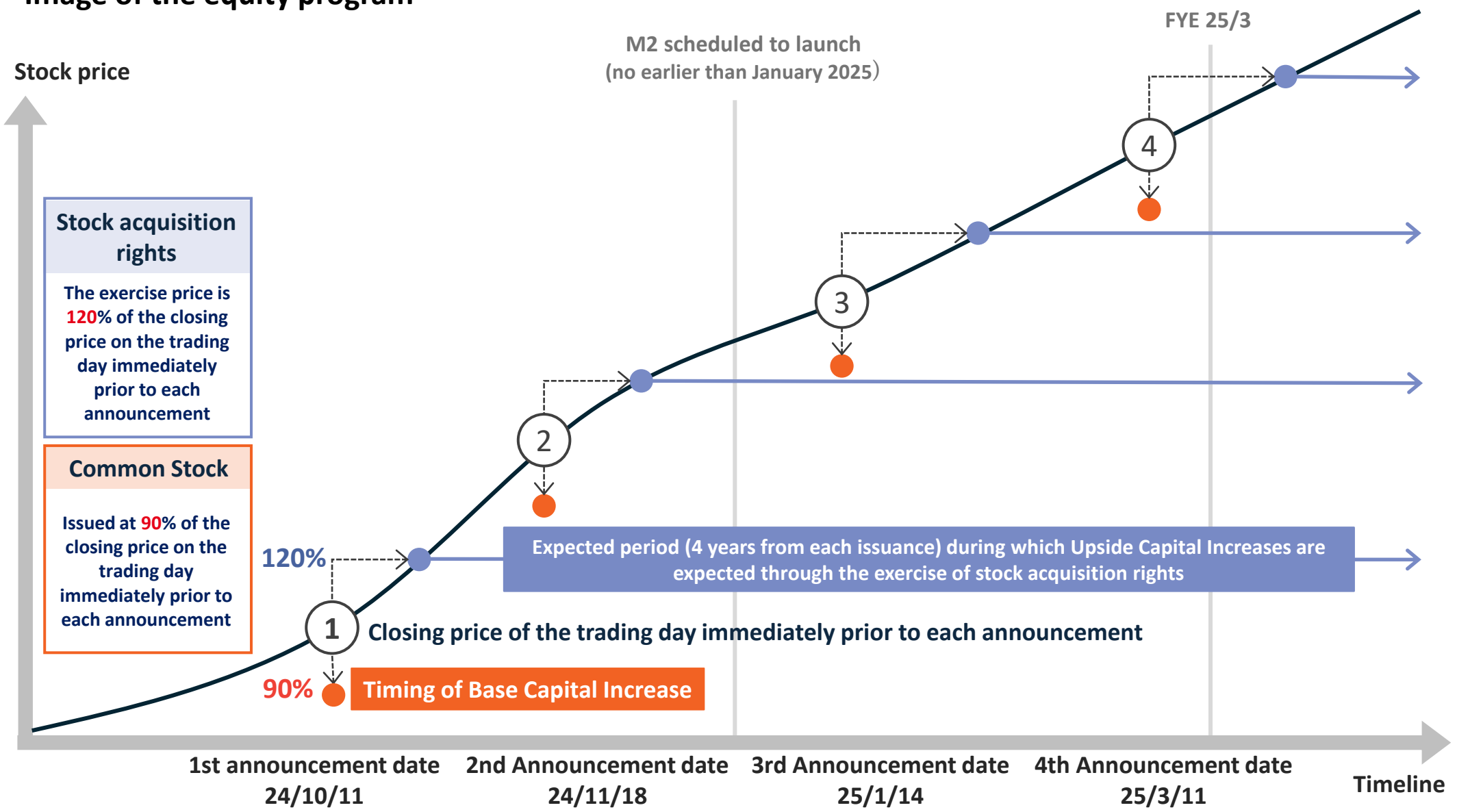
Capital increase by stock acquisition rights
Total number of rights issued: 110,000 rights (27,500 rights each)(2)

Announcement date	Amount raised(3)
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)
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)

Estimated total amount (4 times)	Assumptions for stock prices in the 2nd through 4th announcement in the estimation
Approx. 8.9Bn yen(5)	Ex：based on 10/10 closing price
13.6Bn yen	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
(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
(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.

Image of the equity program



※ The image shown on this slide is for illustrative purposes only and this is not an indication of actual or projected changes in the share price.

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

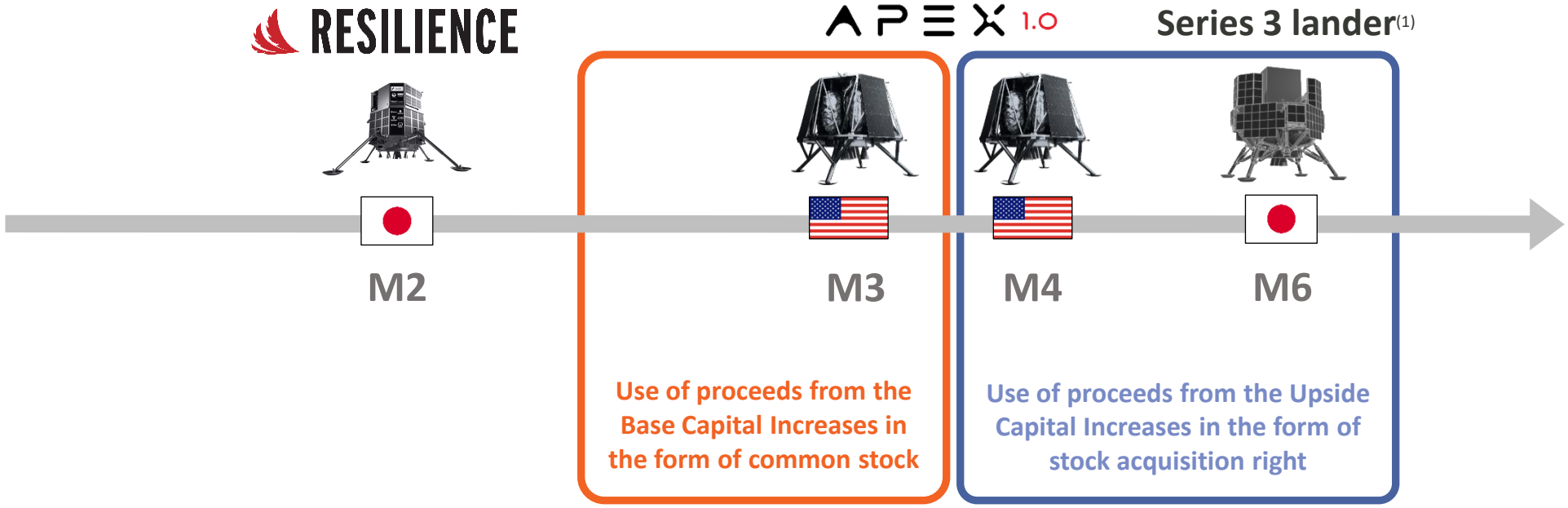
By issuing common stock four times each of the closing price on the trading day immediately prior to each announcement date, the company will be able to raise a certain amount of capital with a high probability. Furthermore, if the stock price improves, it will reduce the amount of capital needed to 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)

Through the funding from Base Capital Increases and potential funding from Upside Capital Increases, ispace expects to secure development capital to execute three missions through 2027

FY2025/3	FY2026/3	FY2027/3	FY2028/3
CY2024	CY2025	CY2026	CY2027



Secure development funds to ensure the three missions through 2027 are executable

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

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 Q2 Cumulative	FY2024/3 (Previous year) Q2 Cumulative	%Change	FY2025/3 (Forecast) 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.

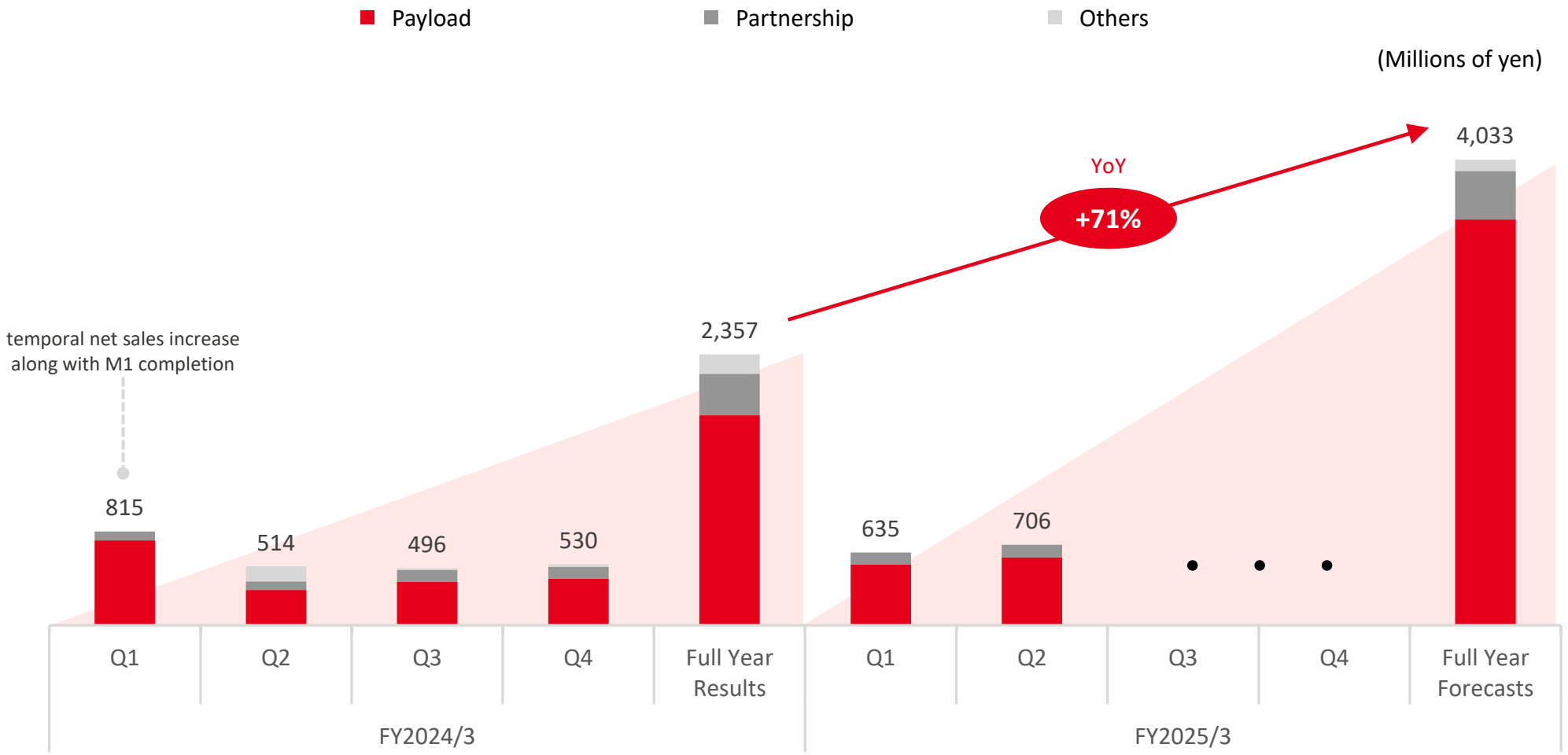
R&D costs increased YoY due to an increases in mission development costs

(Millions of yen)	FY2025/3 Q2 Cumulative	FY2024/3 (Previous year) 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

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



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) Results	FY2024/3 (as of Mar 2024) 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%

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

(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

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

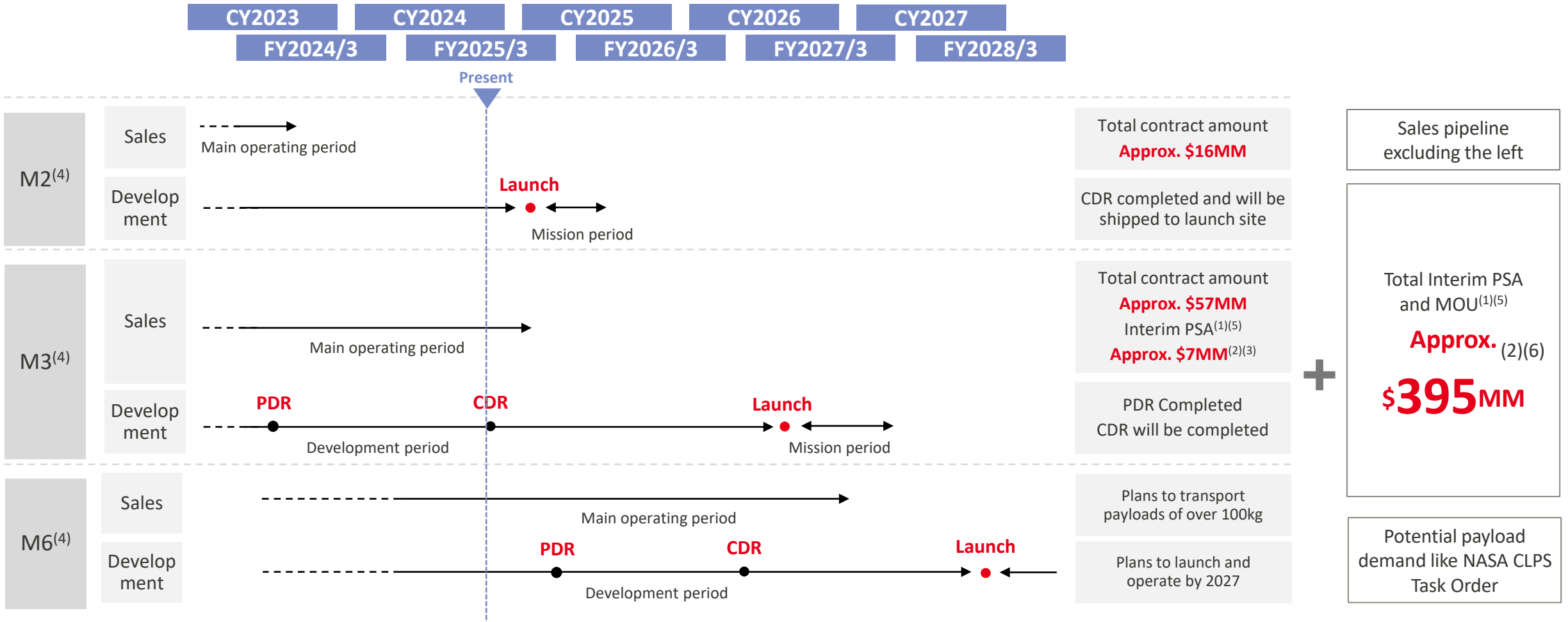
(Millions of yen)	FY2025/3 Q2 Cumulative	FY2024/3 (Previous year) Q2 Cumulative
Cash Flow from Operating Activities	**-5,325**	374
Cash Flow from Investing Activities	**-1,053**	-501
Free Cash Flow	**-6,379**	-127
Cash Flow from Financing Activities	**5,267**	7,807
Change by Share Issuance	**24**	6,563
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 ¥10Bn(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

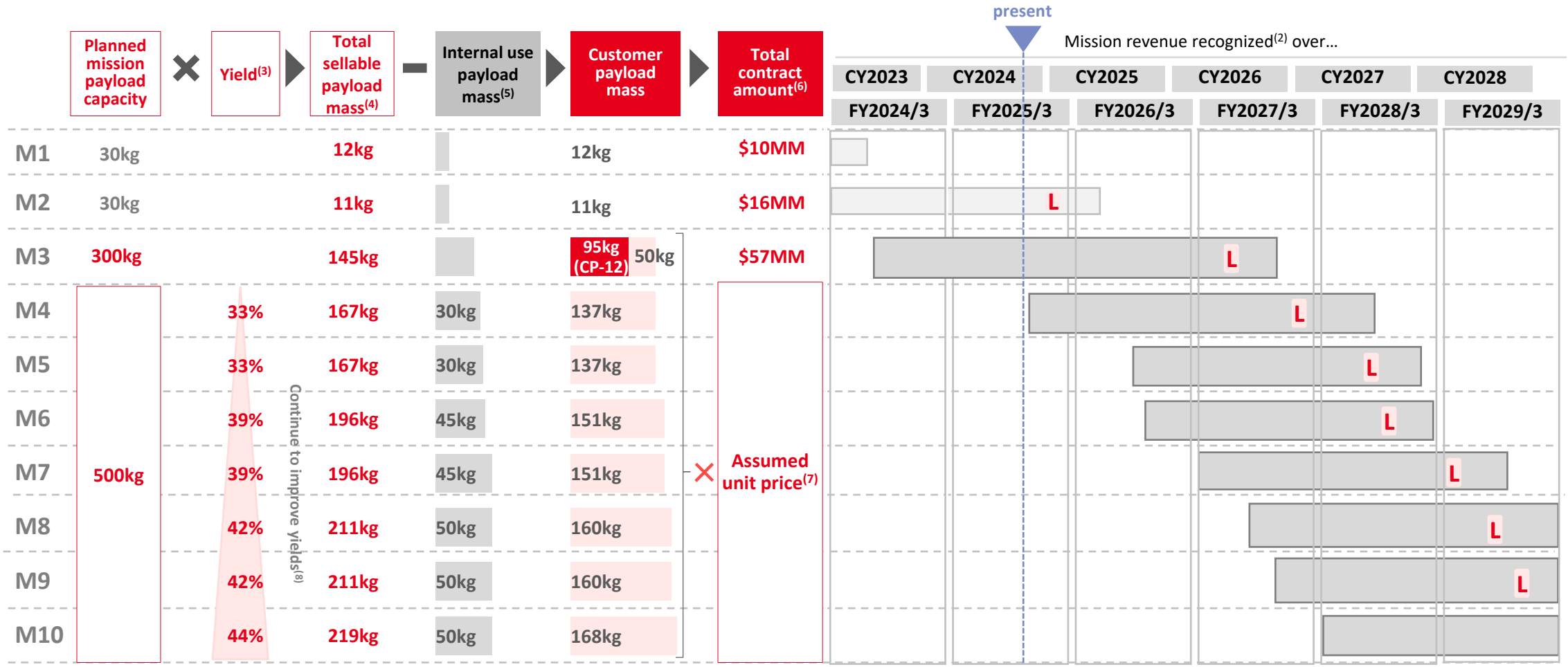
Sales pipeline for Mission 3 onward increased by $89MM. We will continue aiming to execute final agreements of current iPSAs(1) and to obtain new PSAs from sales pipeline. CDR for Mission 3 Lander will be completed after final internal procedures



(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.

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. $1.5MM/kg, and the Company assumes that the price will decrease over time
(8) Yield is expected to improve due to growth in market demand, technical improvements made through experience, and expansion of sales team, in each case according to the Company's assumptions
(9) As a result of not achieving completion of Success 9-10 in Mission 1, the amount of sales that could not be recorded as sales was determined to be approximately 98 million yen (as disclosed in Offering Circular on March 26, 2024)

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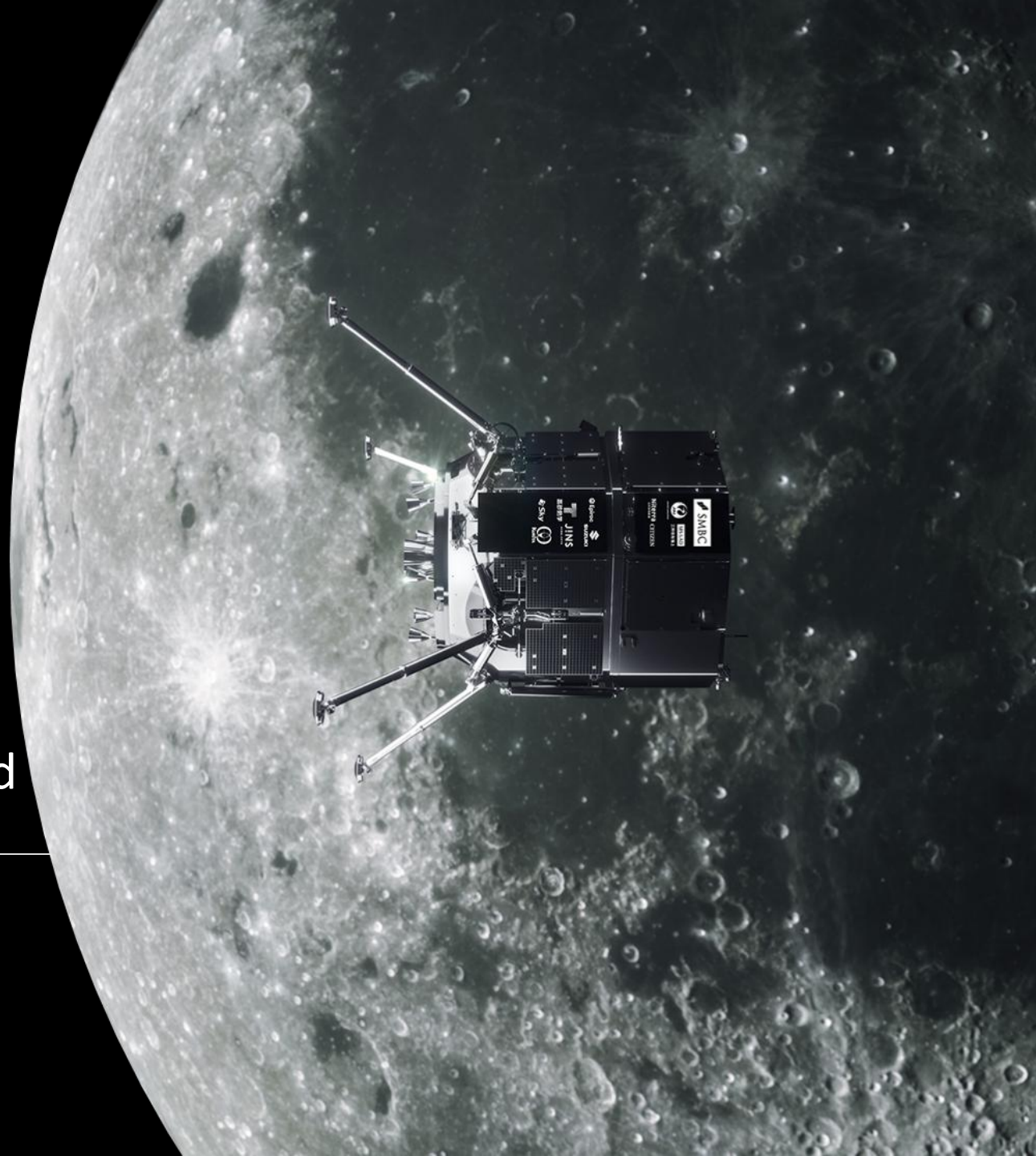
Towards Mission 2

Mission Name and Mission Logo Unveiled



SMBC × HAKUTO-R

VENTURE MOON

03

Appendix

Contents:

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

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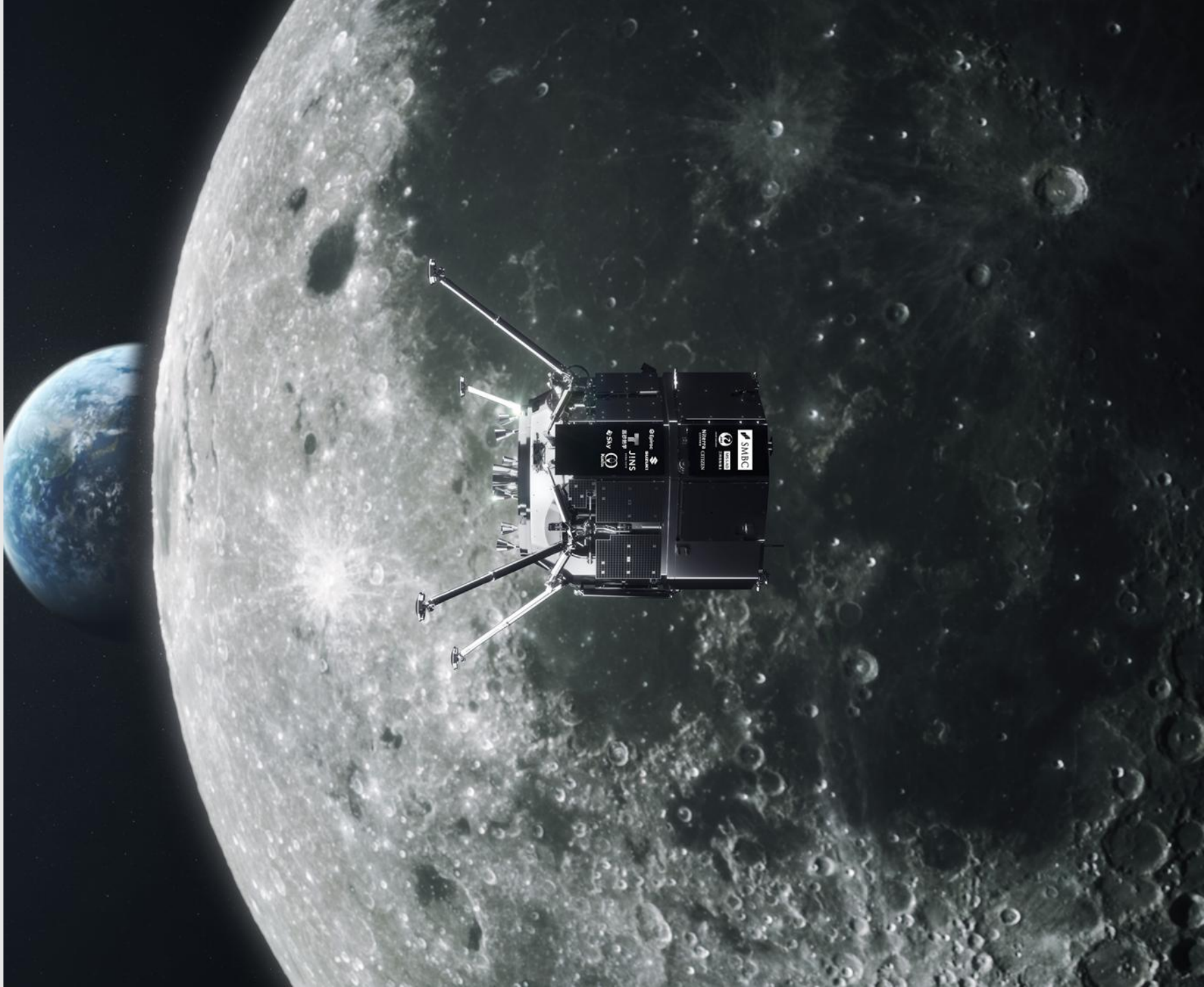
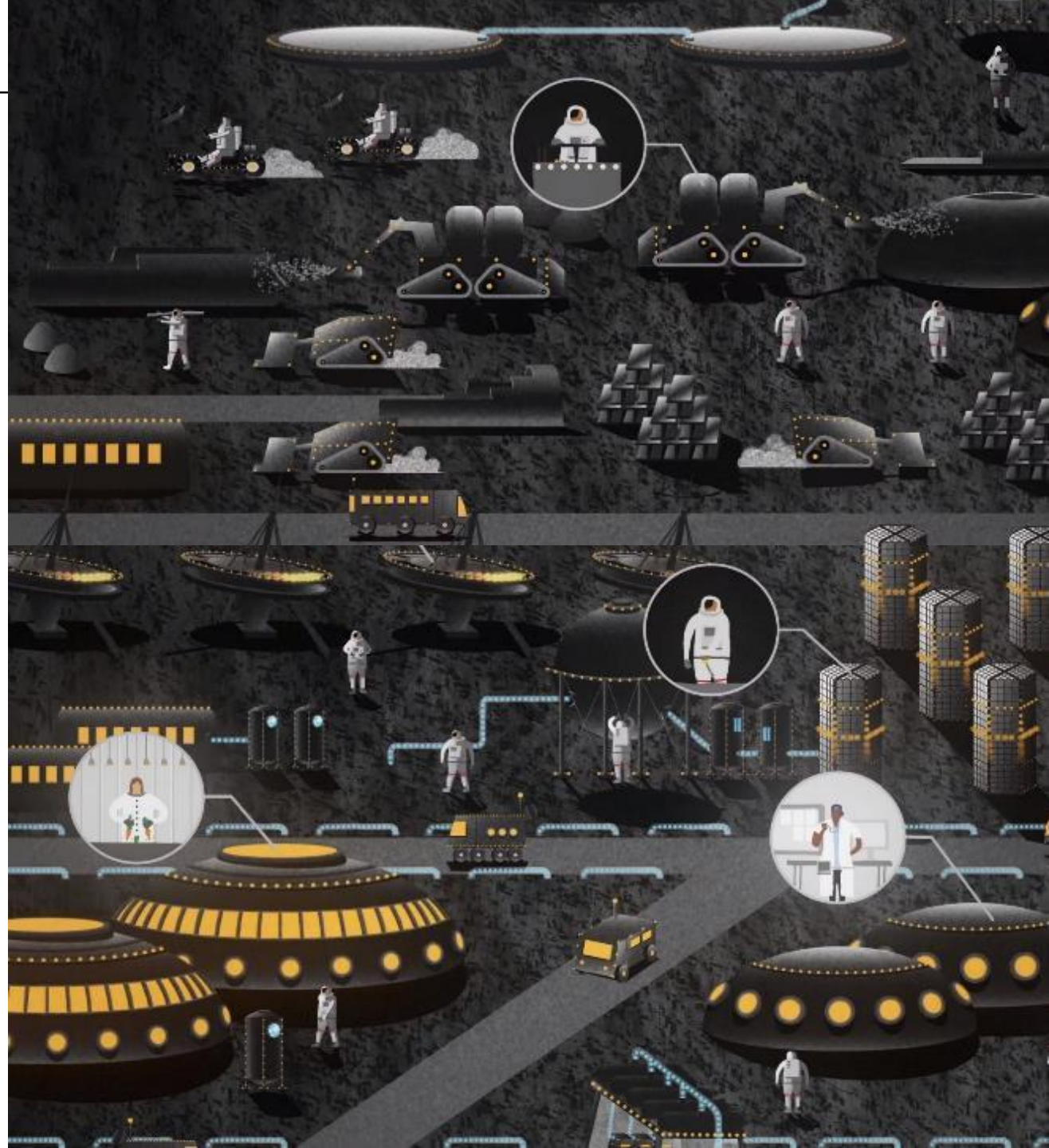


EXPAND OUR PLANET.
EXPAND OUR FUTURE.

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

ispace

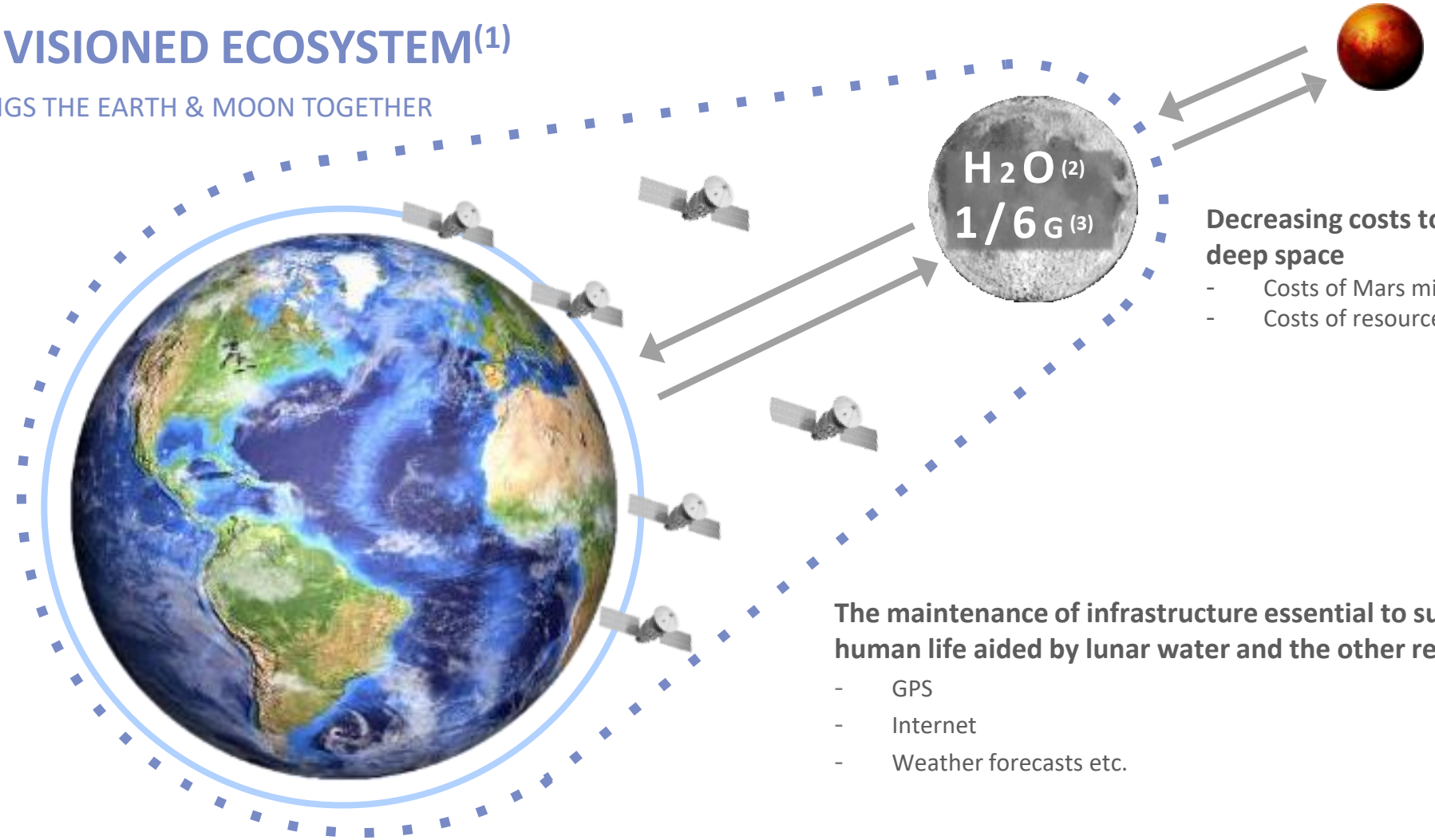
- “Moon Valley 2040” is an outlook on the worldview representing ispace’s vision EXPAND OUR PLANET. EXPAND OUR FUTURE
- We envision 1,000 people living on and another 10,000 people visiting the Moon annually by 2040
- Focusing on lunar water resources, we believe infrastructure on the Moon surface will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



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

ENVISIONED ECOSYSTEM(1)

BRINGS THE EARTH & MOON TOGETHER



Decreasing costs to access areas of deep space

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

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

- GPS
- Internet
- Weather forecasts etc.

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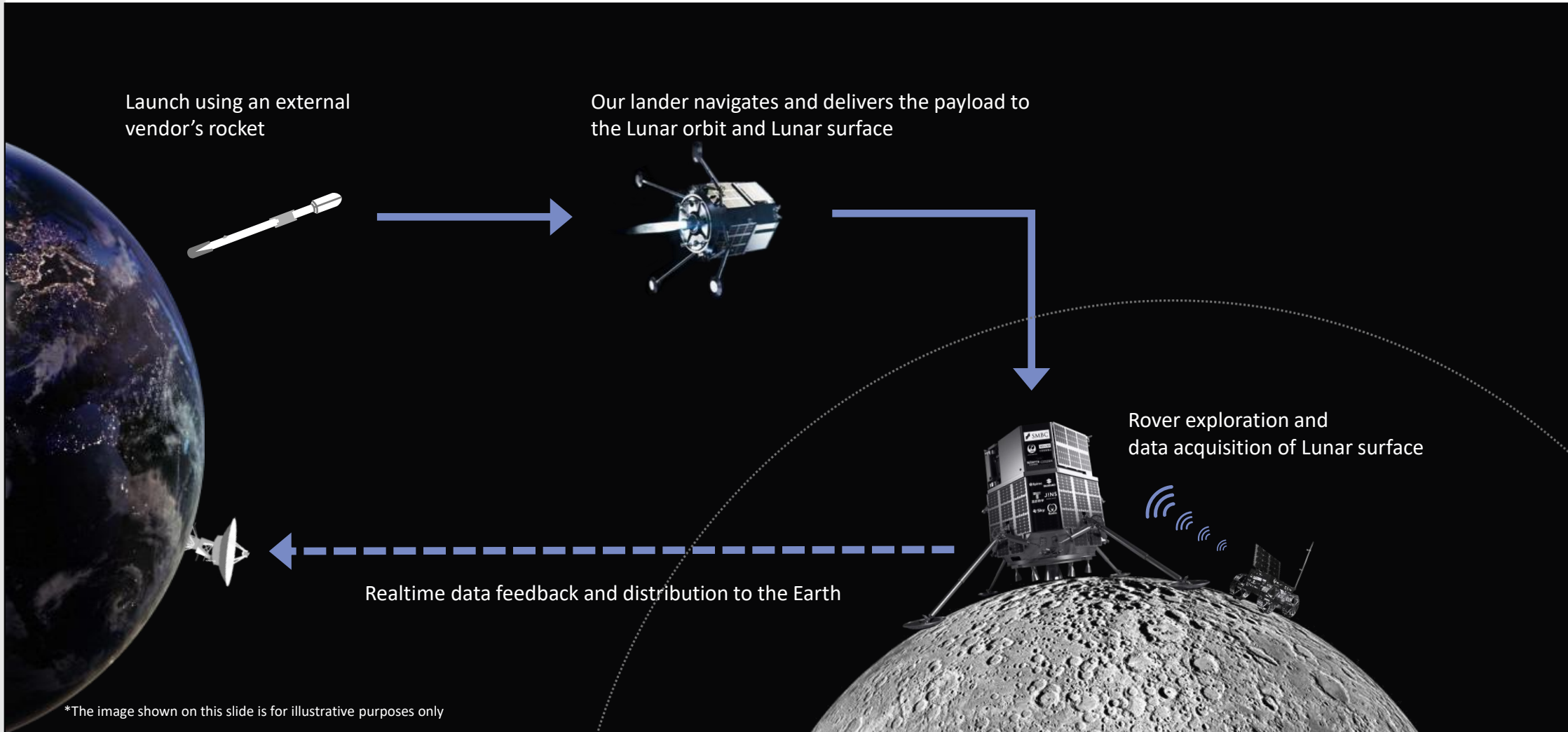
(1) The image shown on this slide is for illustrative purposes only

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

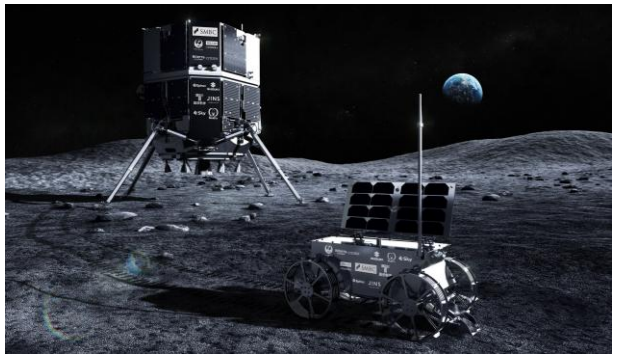
(3) As Moon has only 1/6 gravity of the Earth, the launch cost from the Moon could be theoretically be lower than the launch cost from the Earth

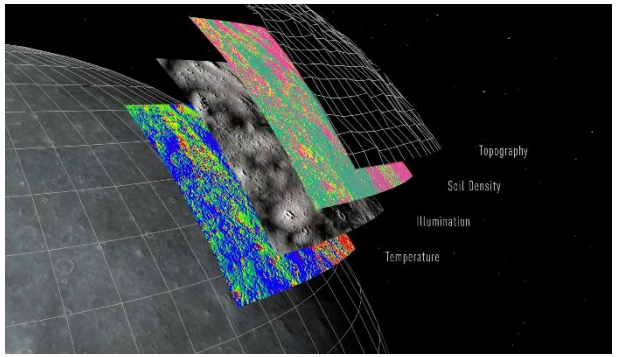
Our lander is launched into outer space on an external vendor's rocket. After landing, our lander and rover explore and acquire data from lunar surface

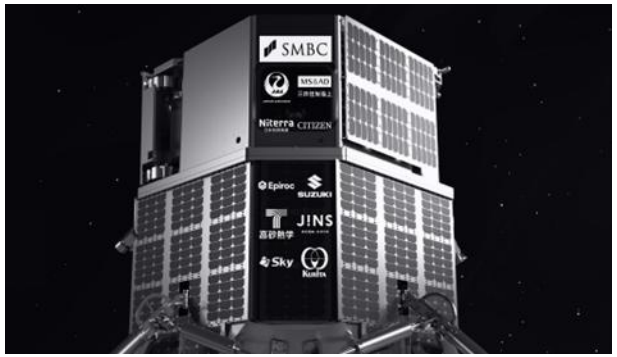


*The image shown on this slide is for illustrative purposes only

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







Payload services

Core service

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

Data services*

Potential driver of growth

- Customers are expected to acquire significant data from payloads transported by ispace.
- Access to the database accumulated through high frequency missions will be provided to customers in the future
- Net sales from data service has not been recorded as of Q2 of fiscal year ending March 2025.

Partnership services

Service with a long history

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

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

ispace

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

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

(1) As of November 12, 2024. The missions and schedules, as shown above, are current but subject to change



ispace

FY 2022 （Finished）

Mission 1

Mission Overview

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

Technological Achievements

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

Sustainable Business Model

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

Lander

(Former) Series 1 lander

Size

Approx. 2.3m tall by 2.6m wide

(standing, legs deployed)

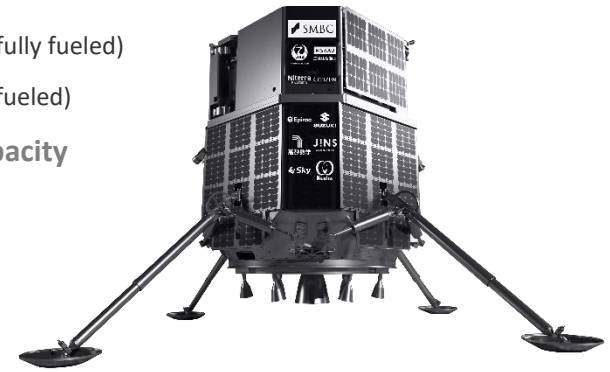
Mass

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

Approx. 340kg (Dry: unfueled)

Design Payload Capacity

Up to 30kg



Payload customers

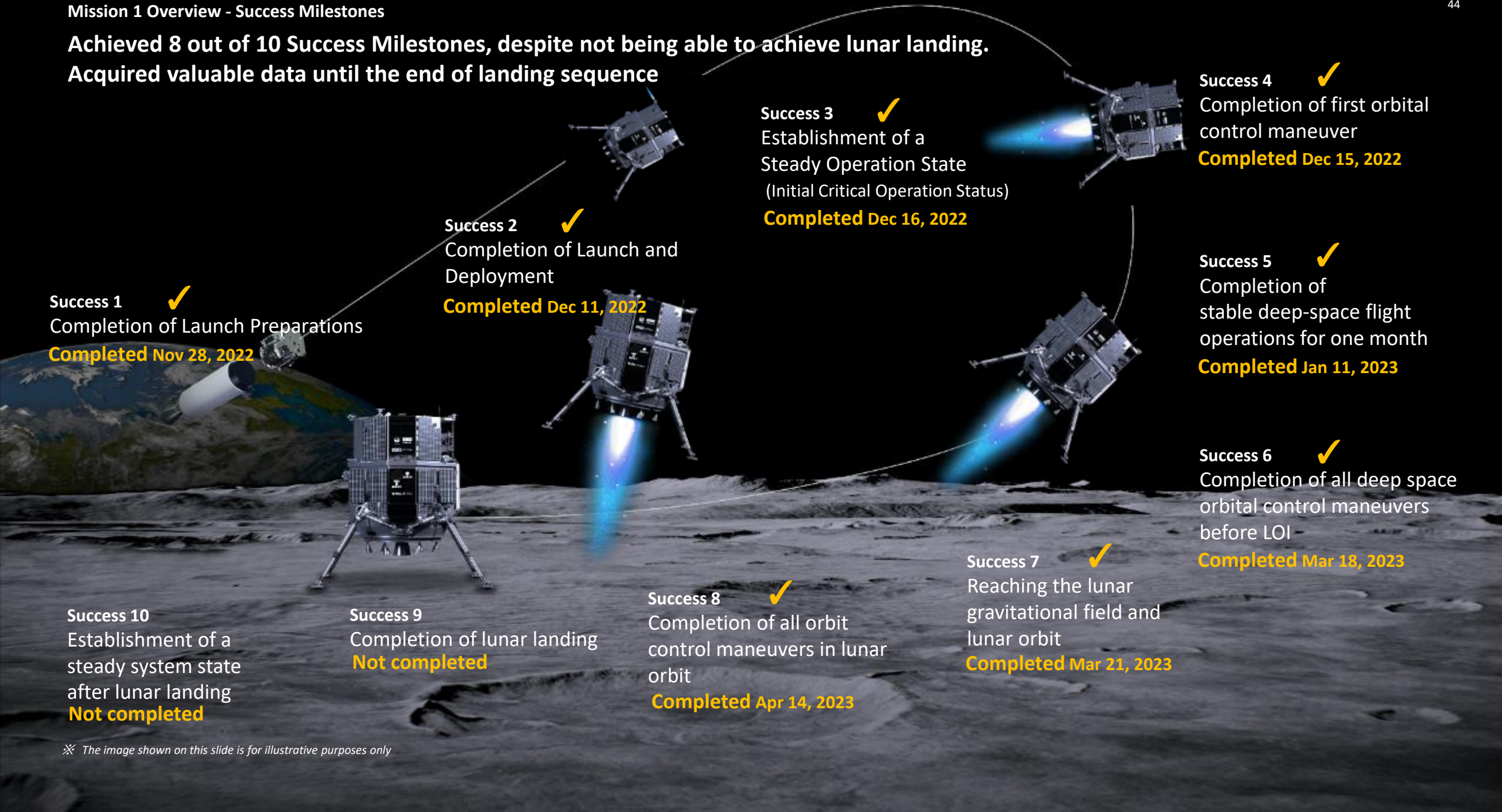
Contract Amount:

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

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

(1) The values are rounded off to integral values

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



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

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

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

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

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

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

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

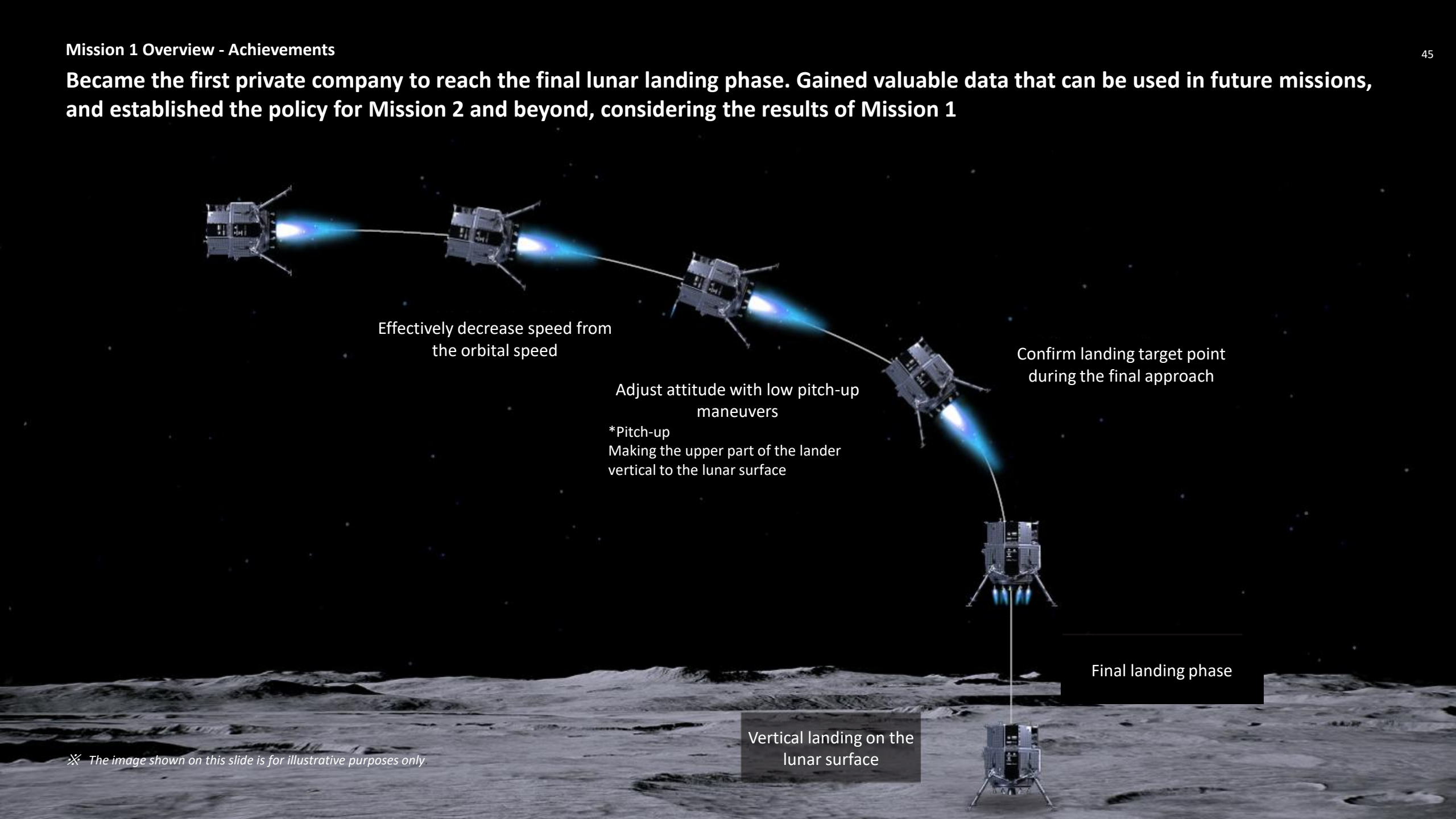
Success 8 ✓
Completion of all orbit control maneuvers in lunar orbit
Completed Apr 14, 2023

Success 9
Completion of lunar landing
Not completed

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

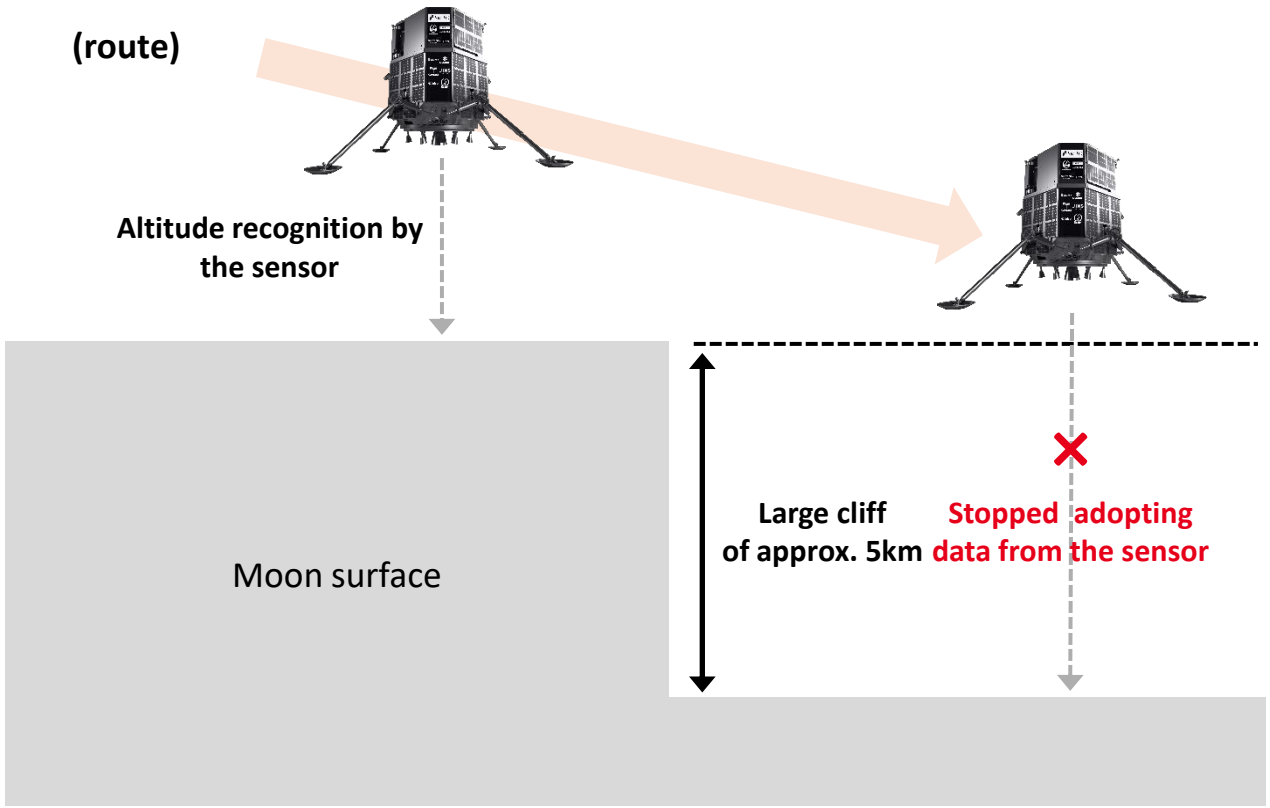
※ *The image shown on this slide is for illustrative purposes only*

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



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

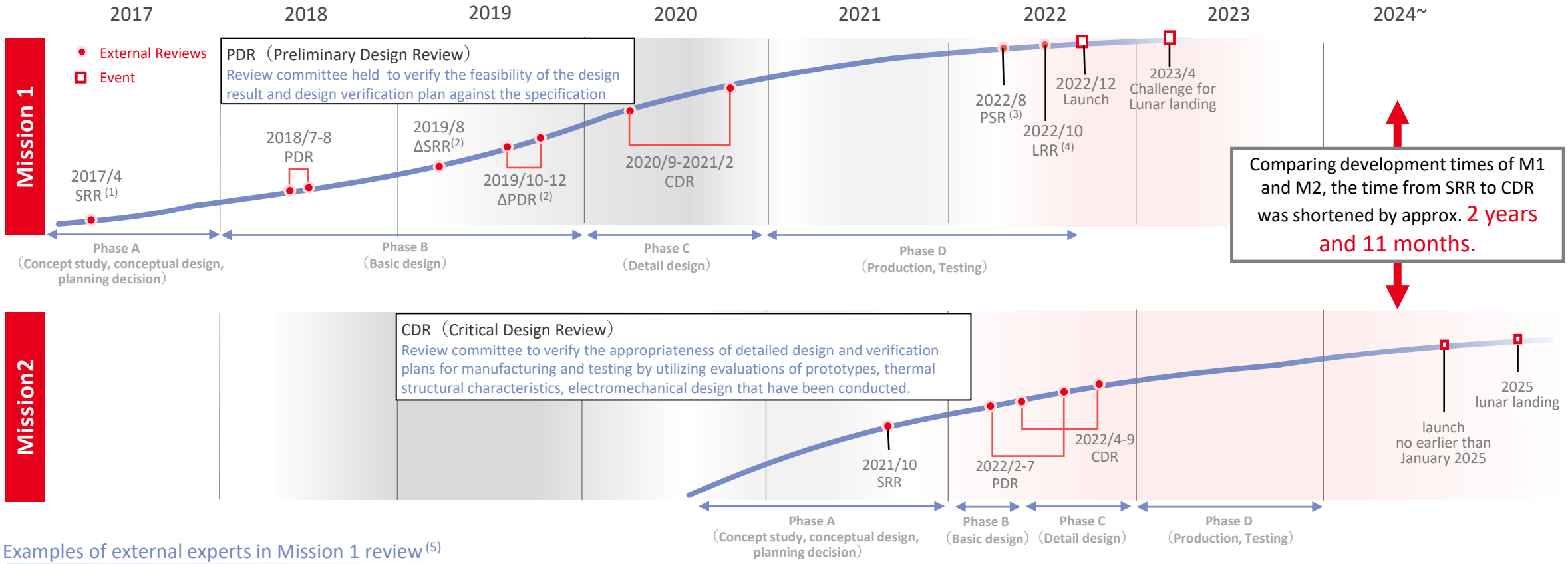
The cause of failure is “mis-recognition of altitude”: The lander judged sudden and unexpected altitude change measured by a sensor as breakdown, which has been remedied for Mission 2



- In the final phase of landing, the sensor noticed sudden altitude change
- The system judged this as misinformation caused by breakdown and stopped to adopt altitude data from the sensor

- In fact, the sudden altitude change of approx. 5km recognized by the sensor was correct as there was a cliff.
- In reality, the lander was way above the moon surface, however, it got into the final landing phase and eventually run out of its fuel and dropped to the surface

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



Examples of external experts in Mission 1 review (5)

SRR


Associate Professor Funase Tokyo University


Professor Inatani, Institute of Space and Astronautical Science

PDR


Professor Inatani, Institute of Space and Astronautical Science

Other 30 Domestic and international specialists

CDR

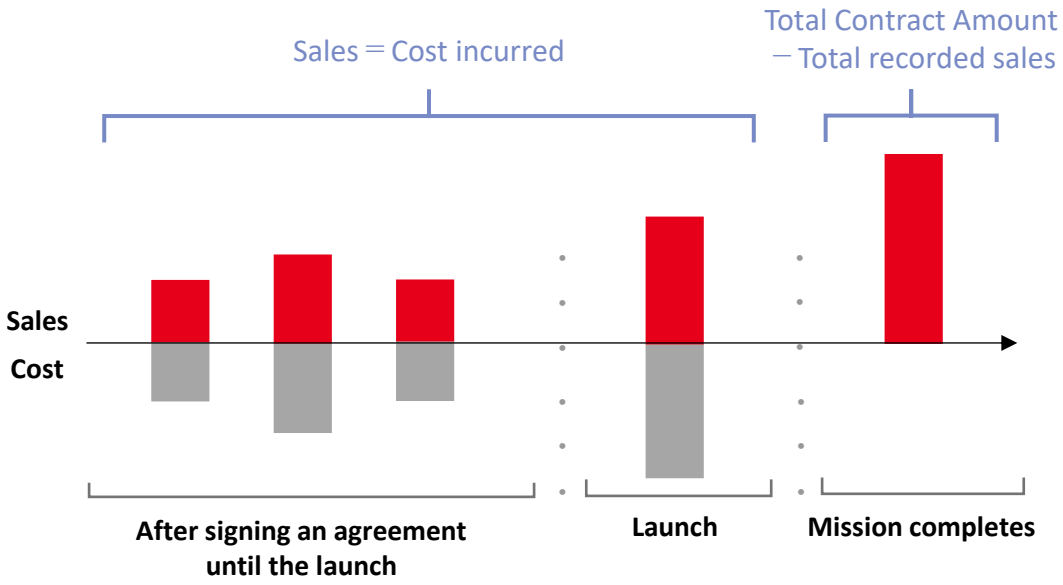

Professor Nakasuka, University of Tokyo


Institute of Space and Astronautical Science, Professor Takashima


Professor Zhao, Kyushu Institute of Technology

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

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



About cost recovery method

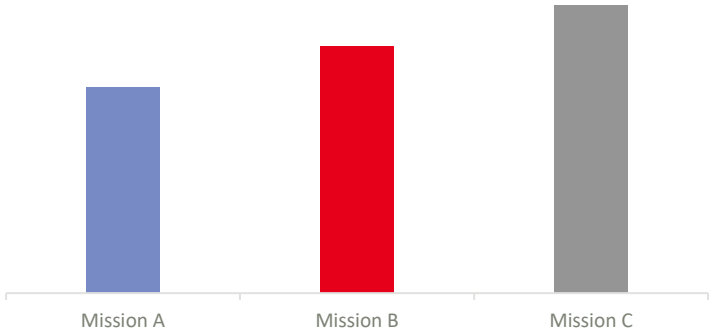
Until a mission ends:

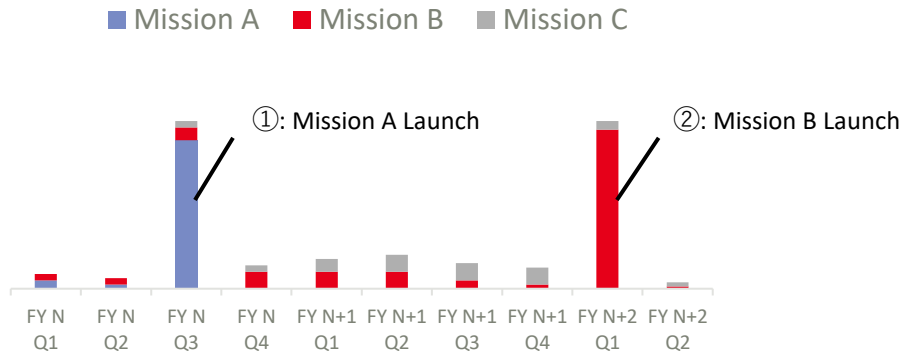
- Amount of net sales that can be recorded is no more than the amount of advance received from our payload customers
- Within the amount of advance received, same amount of costs will be recorded as net sales
- Thus, gross profit of the single mission remains zero

When a mission is completed:

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

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





Total contract amount(1)

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

Quarterly Sales(1)

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

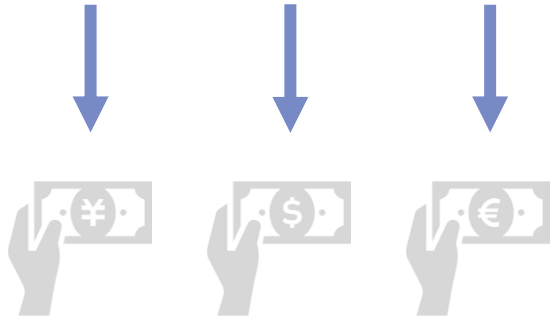
(1) The above graph is for illustrative purposes only and does not represent actual total contract amounts or quarterly sales.

The impact on sales depending on mission outcome



Contracts with non-cancellable and non-refundable policies

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



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

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



Mission 1 only had an 8% impact

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

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

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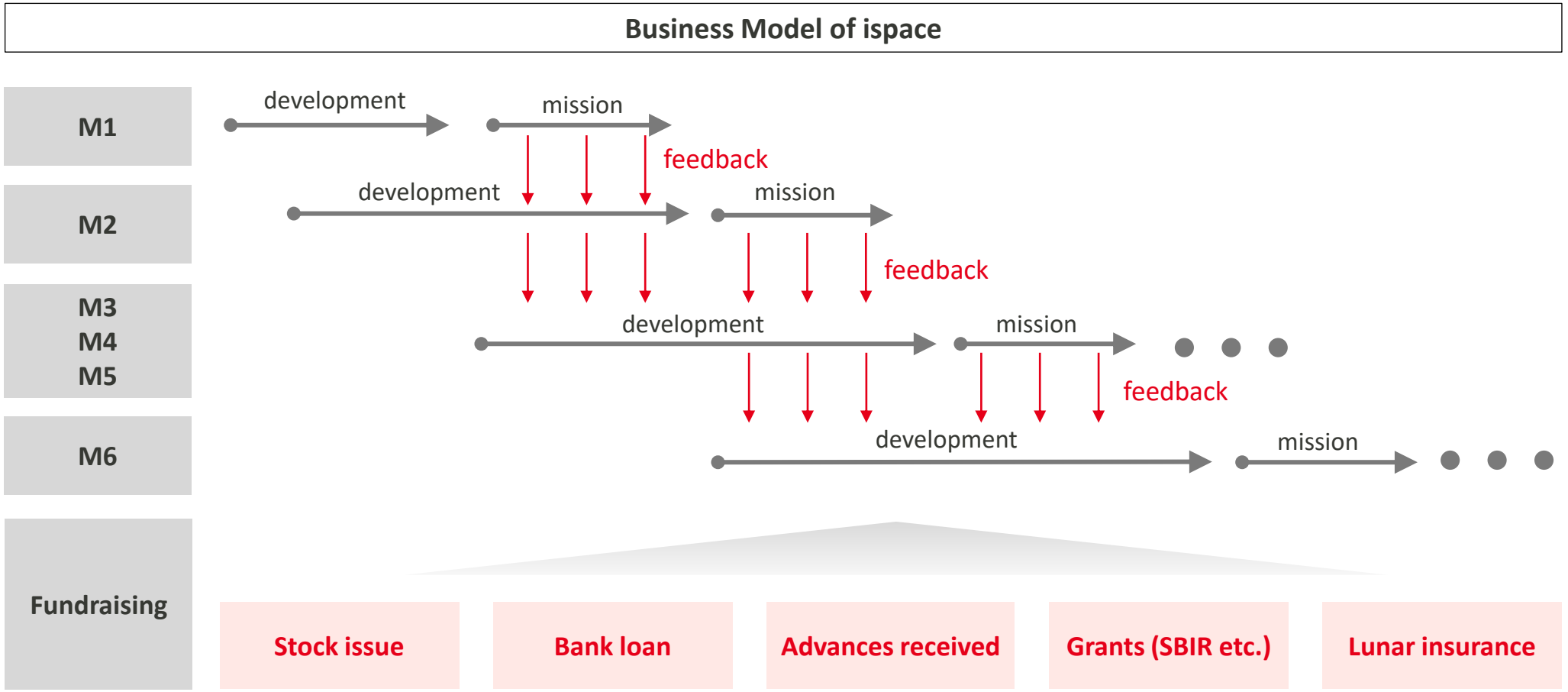
Our business model involves multiple missions, developed in parallel; feedback from the preceding mission is transferred to the subsequent mission in a timely and appropriate manner to enhance the maturity of the technology. This model is essential to build a strong financial foundation to support multiple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



(Millions of yen)	FY2023/3 Q1	FY2023/3 Q2	FY2023/3 Q3 (M1 Launch)	FY2023/3 Q4	FY2023/3 Full-Year	FY2024/3 Q1 (M1 Completion)	FY2024/3 Q2	FY2024/3 Q3	FY2024/3 Q4	FY2024/3 Full-Year	FY2025/3 Q1	FY2025/3 Q2
Net Sales[1]	194	201	428	165	989	815	514	496	530	2,357	635	706
Cost of sales	129	55	215	35	436	243	400	377	407	1,428	528	609
Gross Profit	64	146	212	129	552	571	114	118	123	928	107	97
Gross Profit Margin	33.1%	72.6%	49.7%	78.3%	55.9%	70.1%	22.2%	23.9%	23.3%	39.4%	16.9%	13.8%
SG&A	1,304	1,227	7,243	1,801	11,576	1,681	1,045	1,826	1,876	6,429	2,402	1,536
R&D	922	767	6,492	1,051	9,233	1,065	571	1,060	1,137	3,834	1,411	791
Salary and Allowance	133	165	233	191	723	222	208	296	269	997	475	297
Other	247	294	518	558	1,619	392	265	469	469	1,598	516	447
Operating Profit/Loss	-1,240	-1,080	-7,031	-1,671	-11,023	-1,109	-931	-1,707	-1,752	-5,501	-2,295	-1,439
Foreign exchange losses (gains)	140	106	-231	67	83	288	115	-499	737	641	858	-2,223
Other	-5	-303	-71	-56	-437	-553	-66	-125	-491	-1,237	-139	-552
Ordinary Profit/Loss	-1,105	-1,278	-7,333	-1,660	-11,378	-1,375	-882	-2,332	-1,507	-6,097	-1,576	-4,214
Net Profit/Loss	-1,106	-1,277	-7,333	-1,680	-11,398	-1,374	2,912	-2,374	-1,529	-2,366	-1,579	-4,812

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

(Millions of yen)	FY2023/3				FY2024/3				FY2025/3	
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
Current Assets Total	10,827	14,840	7,263	5,730	10,078	13,525	13,485	21,784	21,220	22,527
Cash and Deposit	5,175	8,617	4,399	3,381	7,611	11,522	9,676	14,315	12,673	13,153
Short Term Advances	5,284	5,812	1,790	1,745	1,877	1,486	3,158	4,228	4,928	5,622
Non-Current Assets Total	606	699	1,481	1,461	1,756	4,878	4,828	5,248	5,341	6,018
Property and equipment	145	152	153	141	476	1,000	2,126	2,462	3,092	3,480
Long Term Advances	319	319	1,118	1,148	1,140	3,616	2,465	2,560	1,965	2,310
Total Assets Total	11,433	15,539	8,745	7,192	11,835	18,403	18,314	27,033	26,561	28,545
Current Liabilities Total	3,008	3,345	3,607	4,123	4,346	7,913	7,772	10,503	12,076	9,081
Advances Received	1,284	1,543	1,731	2,382	3,265	3,932	3,618	3,190	3,214	3,758
Long Term Liabilities Total	700	5,692	5,691	5,416	4,871	4,877	6,866	6,784	6,471	14,081
Long Term Debt	688	5,680	5,680	5,395	4,570	4,570	6,570	6,538	6,224	13,830
Net Assets Total	7,724	6,501	-554	-2,347	2,617	5,612	3,675	9,745	8,013	5,383
(Interest-Bearing Debt)	2,138	7,113	7,088	6,778	5,029	8,020	10,020	12,518	14,054	18,083

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

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

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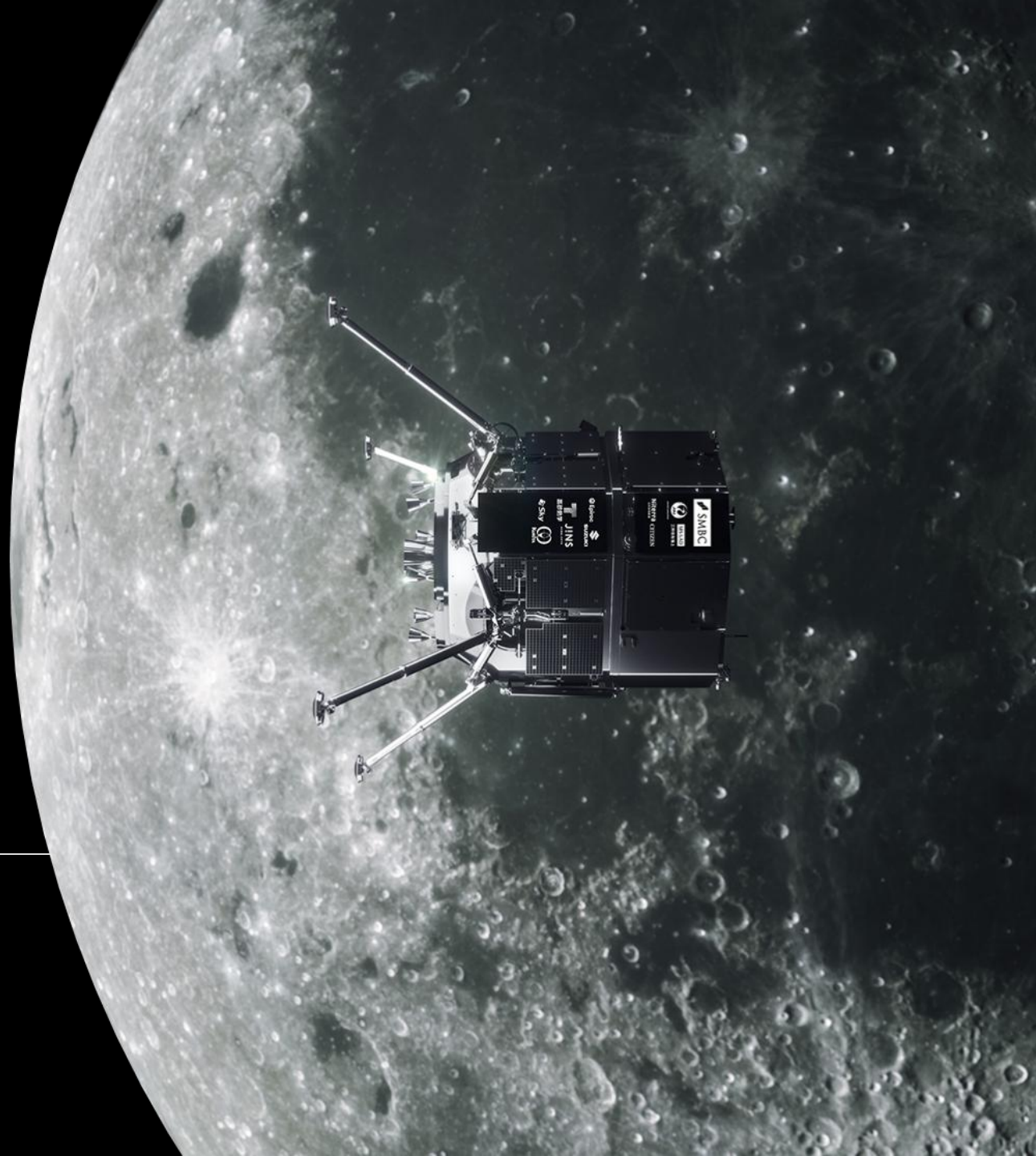
Never Quit the Lunar Quest



For any questions and requests for 1on1 meeting etc.,
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