Synspective

Financial Results for the 1st Quarter of Fiscal Year Ending December 31, 2025

May 14, 2025



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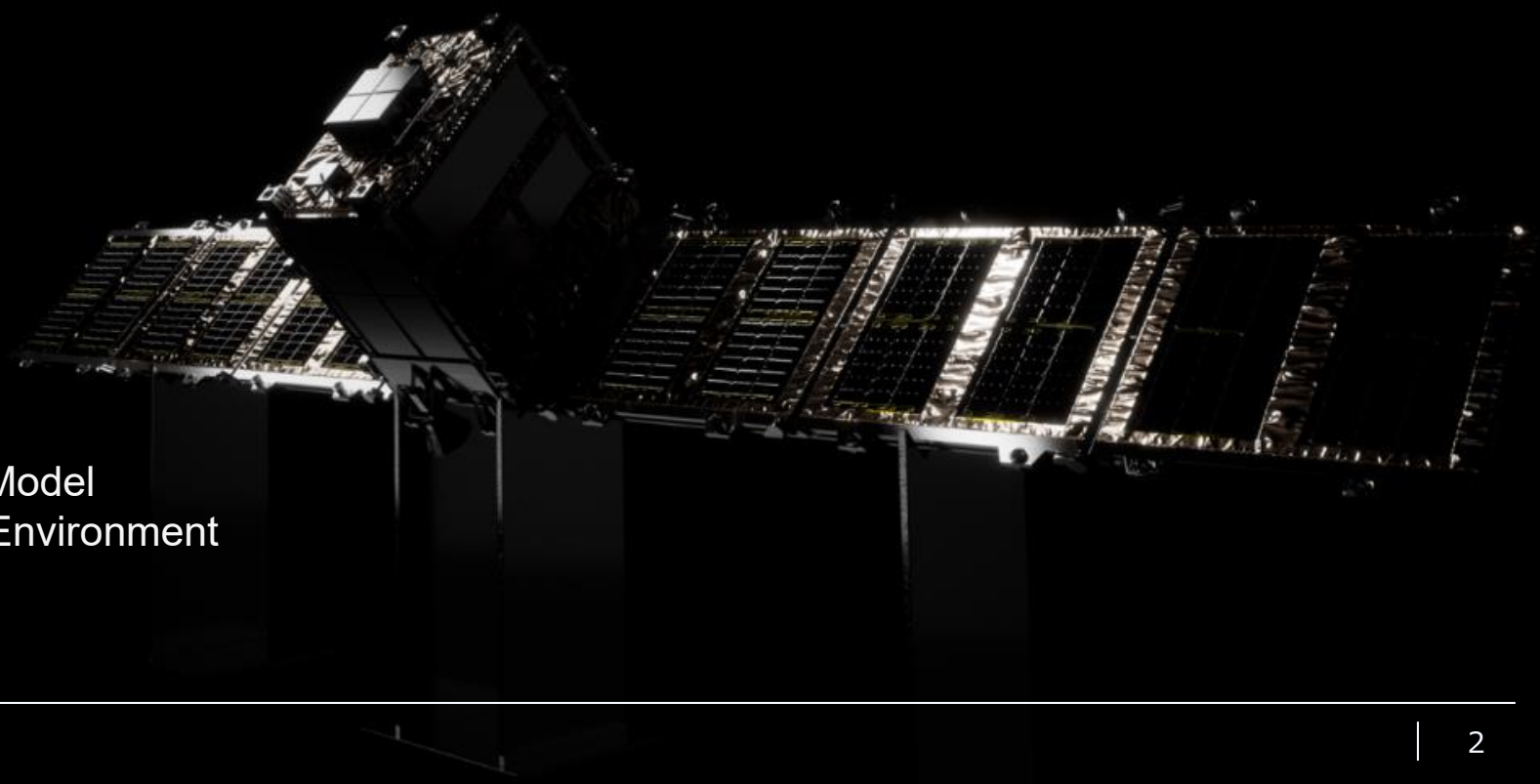
Agenda

1. Highlights
2. Business Updates
3. 1Q of FY2025 Financial Results
4. FY2025 Full-year Forecast



Appendix：

- Company Overview & Business Model
- Market Growth and Competitive Environment
- Business Plan

1. Highlights

Business Highlights

Business

- In addition to continuously winning and executing contracts for the public sector, we have also achieved results mainly in solutions for the private sector. The order backlog (1) as of the end of March 2025 amounted to 21.85 billion yen, showing a significant increase of 16.49 billion yen compared to the end of December 2024, greatly expanding our pipeline.
  - For the Space Strategic Fund, the grant amount for the initial subsidy period (through March 2027) was approved to be 16.46 billion yen (2), securing funding for the construction of satellite constellations.
  - Defense Ministry's satellite constellation budget of 283.2 billion yen was passed by the National Diet.
- Established subsidiaries in the United States, the world's largest space-related market.

Development, manufacturing, and launch

- Successfully acquired images from our sixth small SAR satellite and are currently operating four satellites in orbit.
- Signed a ride-share agreement with SpaceX for 2 satellites, with two rockets to be launched by SpaceX in 2027.
- Together with Rocket Lab, we have secured launch contracts for 13 satellites, making it more certain that a full constellation of 30 small SAR satellites will be built by the late 2020s.
- Yamato Technology Center, a plant for mass production of small SAR satellites, is operating smoothly with progress toward the launch of two satellites in the second half of this fiscal year.

Finance

- Raised 1.4 billion yen through a third-party allotment (related-to over-allotment). In addition, we signed new loan agreements totaling 8.6 billion yen.

(1) The order backlog is calculated including unrecorded subsidy income
(2) The subsidy amounts after April 2027 will be announced at the next grant approval.

Highlights for the 1Q Financial Results and Full-year Forecasts

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1Q Financial Results

- Total revenue (1) amounted to ¥1.15 billion, achieved 125.8% growth year-on-year. This was mainly due to the completion of delivery of the Cabinet Office's demonstration project(2) and the space demonstration of small SAR satellites suitable for security purposes promoted by the Ministry of Defense, as well as the recording of subsidy income from METI SBIR. (2)
- Operating losses as planned due to a prior investment related to satellite constellations for the manufacturing and launching of satellites.

Full-year Financial Results Forecasts

- The progress of net sales was 49.1%, with a steady start toward the achievement of the full-year forecast. (Due to the second-half weighting of subsidy income, the progress rate for total revenue was 18.9%.)
- Unchanged from February forecasts, with public sector projects and subsidy income recorded as expected.

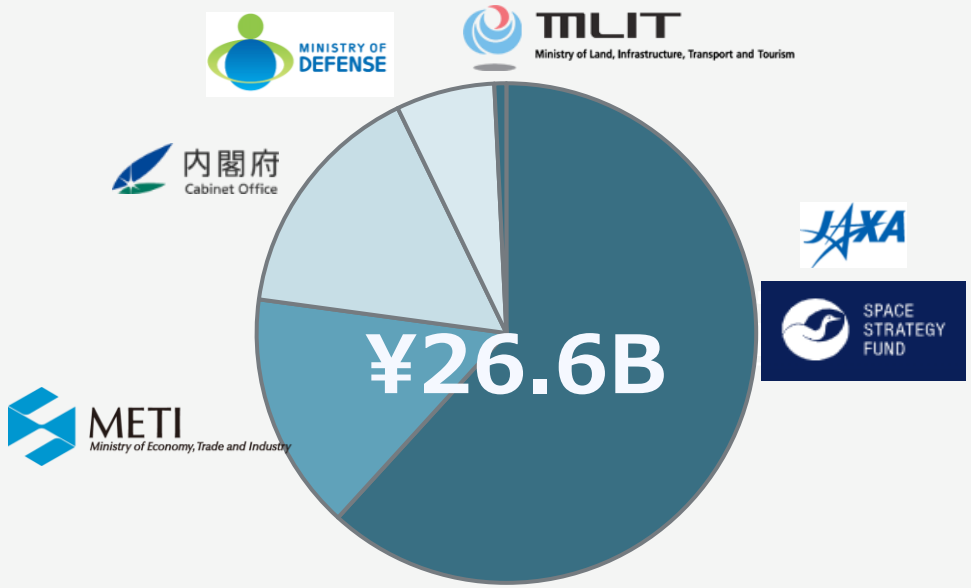
(1) Total Revenue: a Non-GAAP measure. This is a financial measure that we believe is useful to investors in evaluating the performance of our group. Total revenues are calculated by adding government subsidy revenues to net sales
(2) The Cabinet Office's demonstration project: "Fiscal 2024 Demonstration for Expanding the Use of Small SAR Satellite Constellations" promoted by the Cabinet Office's Space Development Strategy Promotion Office. / METI SBIR: Small/Startup Business Innovation Research promoted by the Ministry of Economy, Trade and Industry

2. Business Updates

Track Record in Private Sector Business

Public sector

- In 1QFY25, Synspective won the bid for the 2025 Cabinet Office Demonstration worth 1.06 billion yen.
- In addition to the METI's SBIR subsidy (valued at 4.1 billion yen), 16.46 billion yen from the Space Strategy Fund was awarded in 1QFY25 (for the Initial Subsidy Period).
- Contracts with public sectors total 26.6 billion yen(1) since the company's founding



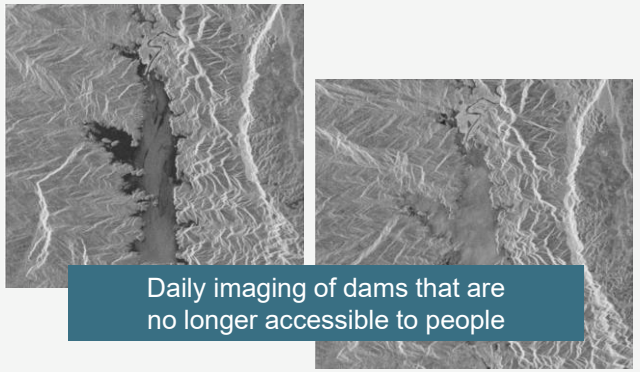
Private sector

■ Case 1: Damage imaging in Myanmar earthquake (March 2025)(2)

Synspective provided StriX imagery of earthquake damage to UN-Spider, a space-based information platform operated by the United Nations Office for Outer Space Affairs (UNOOSA). The images supported disaster management and response efforts.



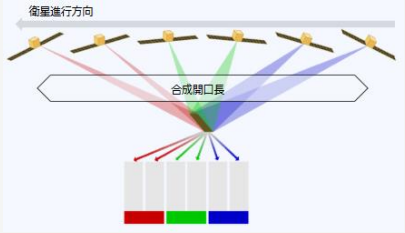
Detecting the collapse of the Ava Bridge



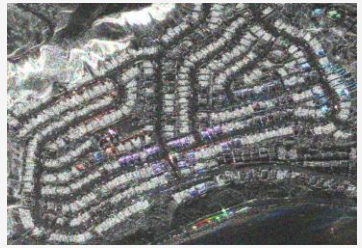
Daily imaging of dams that are no longer accessible to people

■ Case 2: Building Collapse Detection in Los Angeles Wildfire (Jan. 2025)

Colorized Sub-aperture Image technology visualizes residual houses by dividing observation data into sub-apertures taken from different angles and compositing them into a colorized image.



Analysis of satellite images by CSI



Analysis of remaining houses

(1) Cumulative since 2018, includes contracts for which revenue has already been partially or fully recognized
(2) https://un-spider.org/news-and-events/news/myanmar-earthquake-un-spiders-disaster-response

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Major Contracts/projects with Domestic Ministries and Agencies and Their Recording Periods

We have established a track record of contracts primarily with the domestic government, and the order backlog at the end of March 2025 was 21.85 billion yen(1)
We anticipate reaching profitability once our operational constellation includes around 10 satellites. As the constellation expands further, we intend to boost data sales to foreign governmental agencies.

■ Major contracts up to the Expansion Stage and their anticipated P/L recording periods

Expected recording period based on contract details and other factors

Recording period estimated by our company based on public information

Contract Project Name		Accounting category	2024	2025	2026	2027	2028	2029	2030
Contracts/Approved Projects	1. Space Demonstration of SAR Satellite(2)	Net sales	¥1.05bn(1)						
	2. FY2024 Cabinet Office Demonstration(3)	Net sales	¥1.28bn(1)						
	3. METI SBIR(4)	Subsidy income		¥4.10bn(1)					
	4. Space Strategy Fund Phase 1 (5)	Subsidy income		¥16.5bn for Initial Subsidy Period		Undisclosed total subsidy amount			
	5. FY2025 Cabinet Office Demonstration(3)	Net sales		¥1.06bn(1)					
Projects expected to be acquired in the future	6. FY2026 Cabinet Office Demonstration(2)	Net sales			TBD				
	7. Ministry of Defense Satellite Constellation(6)	Net sales			portion of ¥283.2bn(9)				
	8. Space Strategy Fund Phase 2 ~	Subsidy income/ Net sales			portion of approximately ¥700.0bn				
Number of operational units at the end of the period			4 units	6 units	11 units	>30 units			

(1)) The order backlog (of the contract amount, as of March 31, 2025, the amount that is expected to be recorded in the future) is amounts to 3.9 billion yen for 3, 16.5 billion for 4, and 1.1 billion yen for 5, and etc.
(2) Space demonstration of SAR satellites suitable for security purposes (Ministry of Defense)
(3) Demonstration for expanding the use of small SAR satellite constellations (Cabinet Office
(4) Small and Medium Enterprise Innovation Promotion Project (METI)
(5) Space Strategy Fund / Acceleration of Commercial Satellite Constellation Development (METI)
(6) Construction of a satellite constellation from the end of FY2025 to acquire detection and tracking capabilities necessary for stand-off defense capabilities (Ministry of Defense). a budget of 283.2 billion yen to acquire images from the satellite constellation will be confirmed in March 2025, following the approval of the FY2025 budget in both House of the Representatives and the House of Councilors. For details, see P10

Accelerate Technological Development and Business Deployment through the Adoption of the Space Strategy Fund

In November 2024, the Space Strategy Fund (total budget of 95.0 billion yen) selected Synspective as one of four companies for the “Accelerating the Construction of Commercial Satellite Constellations” initiative. Synspective received an initial subsidy of 16.46 billion yen to support satellite mass production and service development.(1)

- Selected for the Technical Development Proposal:
  “Mass Production, Launch and Stepwise Performance Improvement of Small SAR Satellite”(2)

A constellation and mass production system	Demonstration for immediate response	Development of internationally competitive high-frequency interferometric SAR technology
Establishing a manufacturing system capable of producing 12 satellites per year, enabling rapid deployment of a satellite constellation exceeding 30 satellites.	On-board data processing and inter-satellite communications to perform in-orbit demonstrations and deliver immediate response services.	Developing high-frequency interferometric SAR technology to enhance the solutions business and overseas expansion.

Expected project results

- ✓ Establish a stable revenue base through subsidy income
- ✓ Deliver services and increase sales growth by responding to Japanese government demand

(1) The Space Strategy Fund is a fund established by JAXA as a nexus between industry, academia, and government (totaling 1 trillion yen) to support startups, private companies, universities, etc. to boldly engage in research and development over multiple years (up to 10 years). The first phase was implemented in the 2024 supplementary budget. The outline of the second period was announced as the 2025 supplementary budget. https://fund.jaxa.jp/
(2) Granted \16.5 Bn (toward March 31, 2027) on March 6, 2025 https://contents.xj-storage.jp/xcontents/AS04951/b6d7a3de/c34f/4d9d/b32e/dd5a84955118/140120250306589324.pdf
(3) The technical development proposal is the plan at the time of proposal and may change during future stage gate reviews

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Prospects for the Ministry of Defense's Constellation Construction Program

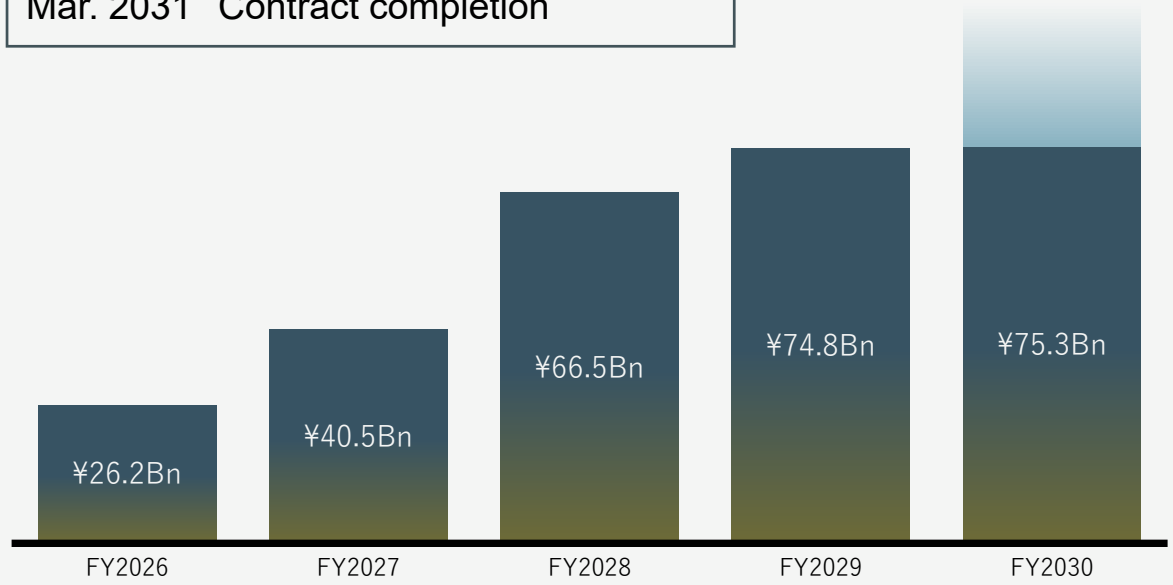
In March 2025, the National Diet passed the FY2025 budget, finalizing an allocation of 283.2 billion yen for image acquisition from satellite constellations(1). The Ministry of Defense outlined the timeline and requirements in its "Implementation Policy"(2).

■ Planned timeline and budgeted amounts within each fiscal year(2)

Planned timeline

Jul. 2025	Public Notice
Dec. 2025	Successful bidder announced
Feb. 2026	Contract conclusion
Mar. 2031	Contract completion

Beyond 2030, it is expected that new budgets will be structured based on the next five-year defense plan.



(3) Overview of business scheme

- Composition of satellite constellations

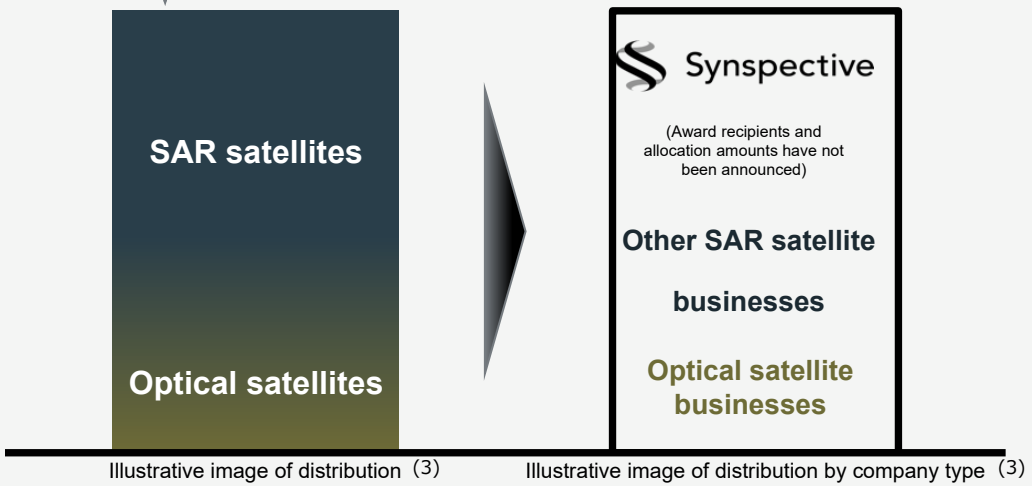
In consideration of functionality, the constellation will be a combination of SAR and optical satellites, but mainly SAR

- Operation format, ownership

PFI, Build-Own-Operate (BOO) model(4); satellites and ground facilities will be privately owned in order to utilize private-sector expertise in operation and maintenance

- Period

Six years from 2025 through 2030, in consideration of the lifespan of satellites (one year for preparation + 5-year lifespan of small satellites)



Illustrative image of distribution (3)　Illustrative image of distribution by company type (3)

(1) Ministry of Defense Overview of Proposed Budget for FY2025 on December 27, 2024 (page 8) https://www.mod.go.jp/j/budget/yosan_gaiyo/fy2025/yosan_20241227_summary.pdf
(2) Ministry of Defense "Implementation Policy for Satellite Constellation Maintenance and Operation" on April 8, 2025 https://www.mod.go.jp/j/budget/release/pfi/satellite_constellation/20250408/index.html) Amounts in the chart are based on "Percentage of budgeted amount for each fiscal year," prepared by the Company
(3) Ministry of Defense announced in September 2024 that "construction of a satellite constellation will begin at the end of FY2025 (PFI method) to acquire the target detection and tracking capabilities necessary for stand-off defense capabilities. Source: "Ministry of Defense Space-related Budget Appropriation Request for Fiscal 2025" (page 3) https://www8.cao.go.jp/space/comittee/dai114/siryou2-9.pdf
(4) PFI stands for Private Finance Initiative, BOO stands for Build Own Operate

Established Subsidiaries in USA, the World's Largest Space-related Market

- Established two subsidiaries in Delaware, USA in March 2025: Synspective USA HD, Inc., a holding company, and Synspective USA, Inc., an operating company.
- The market size of SAR in North America, primarily driven by the U.S., is expected to reach 9,625 USD million (approx. 1.5 trillion yen) in 2023, and grow at approximately 10% per year, reaching 19,569 USD million (approx. 3.1 trillion yen) by 2030.(1)
- The new USA subsidiary will serve as the hub for Synspective's regional operations, focusing on delivering advanced SAR technology solutions for sectors such as national and homeland Security, infrastructure monitoring, disaster response, human security, and environmental management.

Industry experts joined the management team (2) of the U.S. subsidiary



- **Dr. Kumar Navulur**
- **Synspective USA, Inc. CEO**
- Executive with 30+ years of experience in remote sensing/geospatial industry. He serves on the Board of Directors of the Open Geospatial Consortium (OGC). He is a Private Sector Network (PSN) member of the United Nations Committee of Experts on Global Geospatial Information Management (UN-GGIM).



- **Ronda Schrenk**
- **Synspective USA, Inc. Outside Director**
- CEO of US Geospatial Intelligence Foundation (USGIF), a leading non-profit dedicated to promoting the geospatial intelligence (GEOINT). Her leadership is complemented by her deep experience at the National Geospatial-Intelligence Agency (NGA), where she served for over 20 years in various strategic and operational roles.



- **Mike Edwards**
- **Synspective USA, Inc. Outside Director**
- A results-driven Business Executive with extensive expertise in government relations, sales, risk mitigation, strategy, and competitive intelligence. Proven track record in capturing over $6B in Department of Defense and US Government opportunities. His deep experience spans C4ISR, Cyber, Space, AI/ML, Non-Kinetics, and combat operations

(1) Source: "Synthetic Aperture Radar (SAR) Market Report, 2024-2032" published by Global Market Insights
(2) https://synspective.com/company/#:~:text=Synspective%20USA%2C%20Inc.

Stable Operation of Satellites(2) and Synspective's Track Record

Synspective has deployed six consecutive satellites since first launch, and has the strength of having many engineers with long-standing experience in the development and operation of satellites, enabling us to achieve stable operations

Track record and status of satellite launches

StriX-α



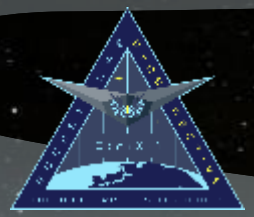
Operational period	3 years
Launch date	2020/12/15
Design lifespan	3 years
Operational status(1)	Operation ended

StriX-β



Operational period	2 years and 11 months
Launch date	2022/03/01
Design lifespan	3 years
Operational status(1)	Operation ended

StriX-1



Operational period	2 years and 8 months
Launch date	2022/09/16
Design lifespan	3 years
Operational status(1)	currently in operation

StriX-3



Operational period	1 year and 2 months
Launch date	2024/03/13
Design lifespan	5 years
Operational status(1)	currently in operation

StriX Series 5th Unit



Operational period	9 months
Launch date	2024/08/03
Design lifespan	5 years
Operational status(1)	currently in operation

StriX Series 6th Unit



Operational period	5 months
Launch date	2024/012/21
Design lifespan	5 years
Operational status(1)	currently in operation

Examples of measures to achieve stable operation based on experience in spacecraft development and operation

Hardware measures

1. Selecting of parts from a global perspective
Procurement of proven, safe parts from around the world, avoiding dependence on a single supplier

2. Additional quality verification tests
Conduct opportunity, thermal vacuum, and life tests to enhance quality assurance and incorporate findings into design and operations.

3. Enhancement of space environment resistance during satellite assembly
Implement measures to prevent anomalies, including reinforced harness shielding and vacuum exposure of components.

4. Ensure anomaly response methods during satellite operation
Equip satellites with backup components and a reset function to enable early recovery in the event of an anomaly.

Software measures

1. Preventing anomalies through enhanced in-orbit status monitoring
Detect early signs of anomalies and improve operational procedures to mitigate potential issues.

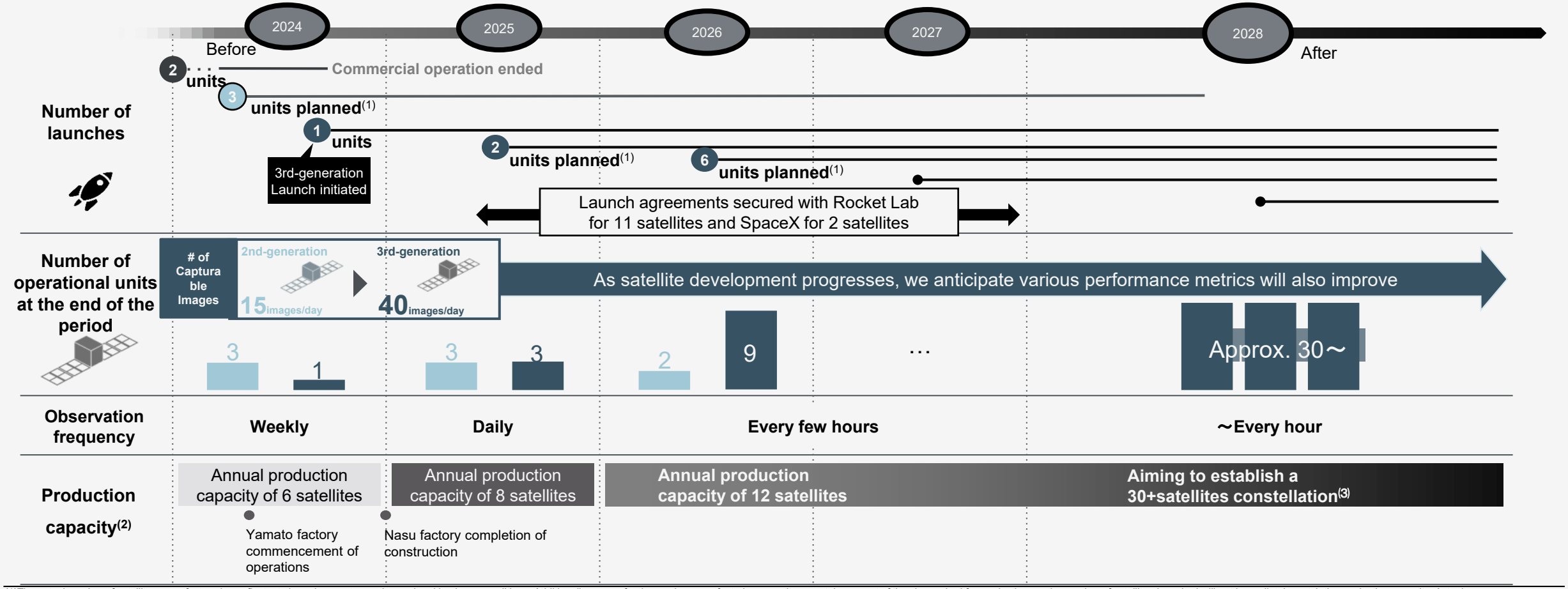
2. Establishing operational methods for stability
Develop software functions and countermeasures to ensure continuous operations under various anomaly scenarios.

3. Securing and training experts in satellite assembly
Retain skilled assembly specialists with expertise in spacecraft features and facilitate knowledge transfer to other operators.

(1) As of March 2025

Satellite Manufacturing and Launch Plan

- Through steady improvements in satellite performance and expanded manufacturing capabilities, Synspective aims to deploy a constellation of over 30 satellites to enhance observation frequency and achieve high profitability.
- Synspective signed a ride-share agreement with SpaceX for two satellites and secured launch contracts for an additional 13 satellites.



(1)The actual number of satellites manufactured may fluctuate based on customer demand and business conditions. Additionally, even after increasing manufacturing capacity, a certain amount of time is required for production, so the number of satellites launched will not immediately match the production capacity. Actual number and timing of launches will depend on launch provider capacity, weather and other factors. The number of images captured by one third-generation satellite launched in 2024 is 15 images per day, and the number of images captured by third-generation satellites launched from 2025 onwards will be 40 images per day.
(2)This refers to the capacity to procure parts and materials and to begin manufacturing a specified number of units. It takes approximately two years from the start of manufacturing to completion.
(3)The forward-looking statements on this page may be significantly affected by business, economic, regulatory and competitive uncertainties and contingencies beyond our control. These statements are based on certain assumptions about our future strategies and policies, which may change. Actual future figures may vary from targets depending on various factors, and the differences may be significant. The contents of this document do not indicate that these targets will be achieved, nor do we have any obligation to update these targets as circumstances change.

Yamato Technology Center: Small SAR Satellite Mass Production Facility

- This factory (1) is steadily improving the production site environment, strengthening the quality control system, improving the training environment for technicians, developing and improving production equipment, jigs, and tools, and securing human resources to meet increased production. Currently aiming to produce 12 small SAR satellites per year starting next fiscal year.
- As of March 2025, component orders are underway for up to 19th units, with manufacturing begun on units up to 10th units. Two satellites are scheduled for launch in 2H of FY2025 as we work toward completing our 30-satellite constellation by the late 2020s.

Since opening, the factory has hosted visits from numerous stakeholders (over 500 people)(2))



Jan. 23 - Representatives from the U.S. Department of Defense, State Department, and NGA



Feb. 6 - Representatives from NASA



Apr. 11 - Representatives from all U.S. Armed Forces, the White House, and other federal agencies

(1) Yamato Technology Center began full-scale operations in September 2024.
(2) As of the end of April 2025

Financing through IPO and Debt Financing

Raised 1.4 billion yen through third-party allotment during IPO and 8.6 billion yen from a syndicated loan led by Mizuho Bank and Development Bank of Japan.

■ On January 17, 2025, Synspective raised 1.42 billion yen through third party-allotment (over-allotment) in conjunction with the IPO. The proceeds were allocated as follows:

- Capital expenditures:
  Allocated for satellite development, manufacturing, and associated infrastructure investments
- Working capital:
  Designated for operational expenses including personnel and recruitment costs, training and development programs, research and development initiatives, outsourcing services, and system licensing and usage fees

■ New loan agreements signed in 1Q25 (total: 8.60 billion yen)

Lenders	Composition amount (million yen)	Period	Use of Purpose	Interests	Borrowing progress	
					Date	Amount (million yen)
Mizuho Bank (arranger), Shizuoka Bank (co-arranger) and other 9 banks	8,100	5 Yrs. 8 mo.	Capital expenditures	TIBOR plus spread	Feb. 28, 2025	180 million yen
Development Bank of Japan	500	2 Yrs.	Working capital	TIBOR plus spread	Mar. 25, 2025	500 million Yen

(1) The amount of use for funds is the one obtained by deducting the estimated amount of issuance costs from the total amount paid.

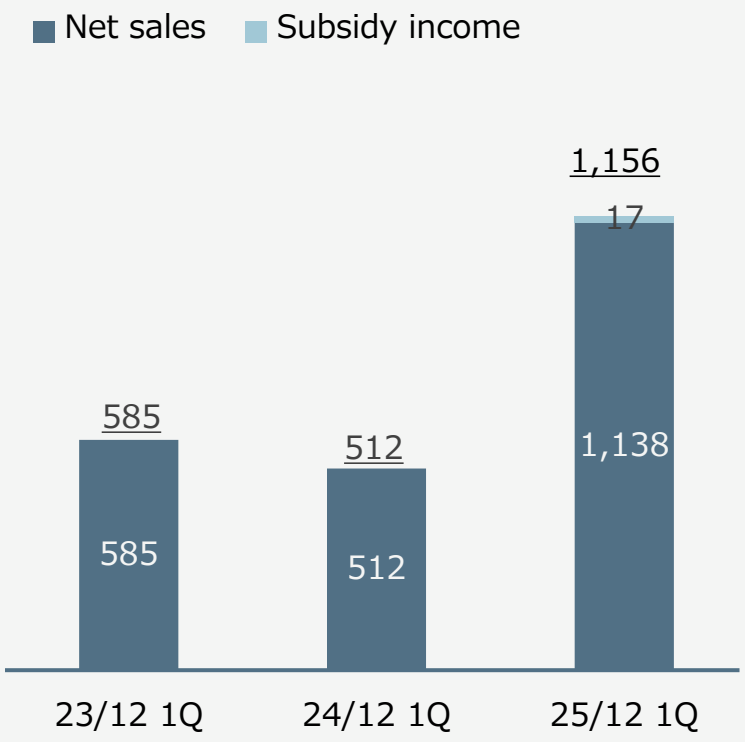
3. 1Q of FY2025 Financial Results

Financial Highlights - Consolidated

While upfront investments in satellite construction infrastructure have increased operating losses, total revenue has grown significantly.

Total revenue(1)

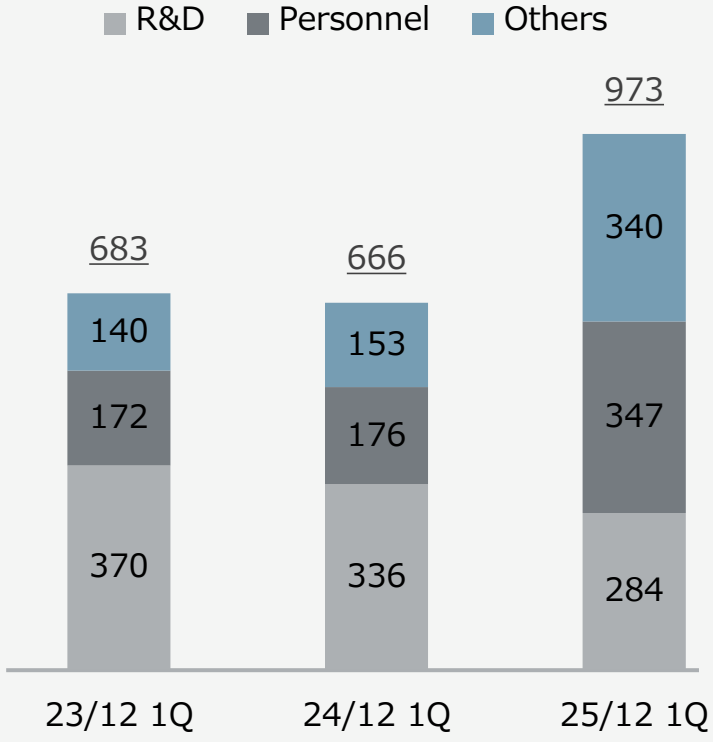
Unit: million yen



- Total revenue in 1Q25 showed significant year-over-year growth, driven by completed government contracts including Cabinet Office and Ministry of Defense demonstrations, plus SBIR program subsidies from METI.

SG&A

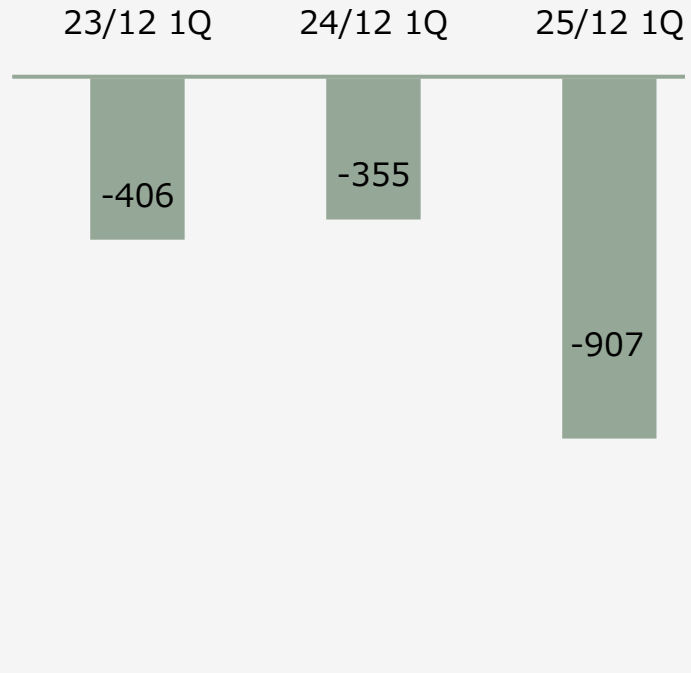
Unit: million yen



- R&D expenses trending down but expected to remain flat year-on-year for FY2025
- Personnel expenses for 1QFY25 increased year-on-year due to the recording of stock-based compensation expenses and an increase in the workforce

Operating income/(loss)

Unit: million yen



- Operating losses widened as planned due to infrastructure investment for satellite constellation.

(1) Total Revenue: a Non-GAAP measure. This is a financial measure that we believe is useful to investors in evaluating the performance of our group. Total revenues are calculated by adding government subsidy revenues to net sales.

Major KPIs

Total revenue

1,156 million yen
（+125.8% year-on-year）

Order backlog(1)

21,852 million yen
（Up 307.9% from the end of December 2024）

EBITDA (2)

(268) million yen
（Negative 331 million yen in the 1Q of FY2024）

Cash and cash equivalent

13,299 million yen
（Decrease of 940 million yen from the end of December 2024）

of satellites in operation as of quarter-end(3)

4 satellites
（Same number of satellites as end of December 2024）

Reasons for Using Total Revenue as a Key Metric

Total revenue is calculated by combining sales revenue and income from government subsidies. Although subsidies are classified as non-operating income, they are financially significant in the short to medium term and serve as indicators of progress on technical initiatives such as constellation construction proposed in the Space Strategy Fund. The total revenue figure is a crucial metric as it remains important regardless of accounting classification.

(1) Sales revenue is recognized at the time of contract, while subsidy income is recognized as order volume at the time of grant decision. It generally takes two to three months from the “adoption” decision by the grantor to the “grant decision” where details of the subsidized project and eligible expenses are determined. The grant decision is the point of order recognition.
(2) Calculated as ordinary profit + interest payments + depreciation expense + stock compensation expenses.
(3) Although a certain period is required from launch to image provision, satellites intended for commercial use that are in orbit, including those immediately after launch, are counted as operational satellites. The second satellite (StriX-β) was under test operation at the end of the 2024 fiscal year and is therefore excluded from the number of operational satellites. Note that its operation ended in February 2025.

Consolidated P/L

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Total revenue increased in 1Q of FY25 due to the completion of the Cabinet Office demonstration project and the SAR satellite space demonstration project, as well as subsidy income from METI's SBIR program. Costs increased due to system enhancements for satellite constellation.

（Unit: million yen）	FY2024 1Q	FY2025 1Q	Changes	Reason for changes
Total revenue	512	1,156	644	• Net sales increased due to the completion in 1Q of FY25 of the Cabinet Office's demonstration program (contract value: 1.28 billion yen) and the SAR satellite space demonstration (1.05 billion yen). By comparison, in the previous fiscal year, part of the Cabinet Office demonstration was recorded in 2Q of FY24 when it was completed. • Subsidy Income: Recorded 10 million yen from the SBIR program. The Space Strategy Fund is scheduled to be recorded from 3Q of FY25 onward.
Net sales	512	1,138	626	
Cost of sales	200	1,072	871	• Depreciation costs for satellites from 4th to 6th StriX increased to 600 million yen (up 600 million yen year-on-year). • Direct costs in Solutions services for the Cabinet Office's demonstration program increased to 310 million yen (up 310 million yen year-on-year, which costs were primarily recorded in 2Q in FY24).
Selling, general and administrative expenses	666	973	306	-
Personnel expenses	176	347	170	Stock-based compensation expenses increased by 80 million yen due to an increase in workforce. Stock compensation expenses, which are related to the 4th series of stock acquisition rights, are recorded over the period from June 2024 to June 2026.
R&D expenses	336	284	(51)	Primarily related to next-generation satellite R&D, spending is projected to remain at roughly the same level as the previous fiscal year.
Others	153	340	187	Increases included outsourcing service costs of 40 million yen due to sales structure expansion, estimated business tax of 30 million yen, and higher rent, utilities, and depreciation expenses from the Yamato Technology Center operations, as well as increased advertising and promotional expenses
Operating income/(loss)	(355)	(907)	(551)	-
Non-operating income	0	24	23	Mainly due to 10 million yen from METI's SBIR program
Non-operating expenses	42	320	278	Mainly due to syndicated loan fees of 200 million yen and an increase in interest expenses
Ordinary income/(loss)	(396)	(1,202)	(806)	-
Extraordinary income/(loss)	0	15	15	Due to reversal of provision for loss on contracts
Net loss attributable to owners of the parent	(398)	(1,188)	(790)	-

Consolidated Balance Sheet

Capital increased by 1.4 billion yen through over-allotment and a new loan of 500 million yen from Development Bank of Japan in 1Q of FY25, while expenditures for satellite manufacturing and equipment remained in line with the plan

(million yen)	End of Dec 2024	End of Mar 2025	Changes	Reasons for increase/decrease
Assets	28,195	29,236	1,041	
Current assets	16,253	16,418	165	—
Cash and deposit	14,239	13,299	(940)	Major factors of increase: capital increase of 1.42 billion yen, increase in borrowings of 0.68 billion yen Major factors of decrease: increase in accounts receivable, etc. of 1.32 billion yen, increase in non-current assets of 0.87 billion yen, net loss of 1.18 billion yen.
Other current assets	2,013	3,118	1,105	Accounts receivable/contract assets increased by 1.32 billion yen. Receivables from the 2024 Cabinet Office demonstration and SAR satellite space demonstration will be collected in Q2.
Non-current assets	11,942	12,818	875	—
Satellites in operation and in production	10,988	11,723	734	Increased mainly due to progress in manufacturing 7th StriX satellite and beyond
Other non-current assets	953	1,094	141	Increased mainly due to installation of equipment at Yamato Technology Center
Liabilities	8,322	8,945	622	
Current liabilities	2,229	2,517	287	—
Short-term borrowings	1,195	1,540	345	—
Other current liabilities	1,034	977	(57)	—
Long-term liabilities	6,093	6,428	335	—
Long-term borrowings	6,093	6,428	335	Increase mainly due to a new loan of 500 million yen from Development Bank of Japan
Net assets	19,872	20,291	418	

4. FY2025 Full-year Forecast

FY2025 Full-year Financial Results Forecasts - Consolidated

- The company made a steady start with 49% progress on net sales but only 19% progress on total revenues, reflecting the second-half weighting of subsidy income.
- Unchanged from February forecasts, with public sector projects and subsidy income recorded as expected.

[Consolidated Earnings Forecast for FY2025, released on February 14, 2025]

- Total revenue and ordinary loss: Total revenue is expected to increase significantly, driven by the implementation of the Space Strategic Fund and METI SBIR programs, while ordinary loss is expected to decrease.
- Operating loss - Operating loss is expected to increase due to expanded satellite production in anticipation of future contracts, such as the satellite constellation program for the Ministry of Defense. (1)
- Satellites in operation (year-end): 2 StriX satellites scheduled for launch in 2H of 2025. Annual production capacity of 6 satellites to be established in this fiscal year.

Unit: million yen	FY2024 act. (A)	FY2025 est. (B)	Changes (B-A)	Year-on-year (%)	FY2025 1Q act.	Progress (%)
Total Revenue	2,508	6,113	3,604	143.7	1,156	18.9
Net sales	2,316	2,321	5	0.2	1,138	49.1
Operating income/(loss)	△3,070	△4,524	△1,454	-	△ 907	-
Ordinary income/(loss)	△3,594	△1,473	2,122	-	△ 1,202	-
Net income/(loss) attributable to parent owners	△3,592	△1,482	2,111	-	△ 1,188	-
EBITDA(2)	△1,799	1,242	3,043	-	△ 268	-
# of satellites in operation as of period-end	4	6	2	-	4	-

(1) The official name is the construction of a satellite constellation from the end of FY2025 ending March 31, 2026, to acquire target detection and tracking capabilities necessary for stand-off defense

(2) EBITDA = Ordinary income + Interest expense + Depreciation and amortization + Stock-based compensation expense

(3) The forward-looking statements on this page may be materially affected by business, economic, regulatory, and competitive uncertainties and contingencies that are beyond our control. These statements are based on certain assumptions regarding our future strategies and policies, which are subject to change. Actual future figures may differ from targets due to a variety of factors, and the differences could be significant. Nothing contained herein should be taken as an indication that these goals will be achieved, nor do we undertake any obligation to update these goals as circumstances change

Assumptions for FY2025 Full-year Forecast- Consolidated

Synspective

	Previous assumption	Progress and assumption changes*
Net sales	• Approximately 75% of sales are expected to come from government agencies, with over 90% of those already under contract or continuing from the previous year • Sales to overseas or private clients are forecasted based on FY2024's results and the status of ongoing negotiations at the time of prediction.	• The forecast remains unchanged, with about 75% of the total expected to be for public agencies. About 86% of these bids/contracts have already been awarded. • Assumptions for overseas and private sector sales remain unchanged.
Subsidies income	• Estimated FY2025 amount includes only already approved projects, such as METI's SBIR program, the Space Strategy Fund, and two other projects. No new projects are included in the forecast • The Space Strategy Fund is "approved but pending grant decision," so this period's income is estimated based on assumptions(1).	• For the Space Strategic Fund, the subsidy amount for the initial period (through March 2027) has been determined to be 16.46 billion yen. Both METI SBIR and the Space Strategic Fund assume that subsidy income will be recorded at the time of payment.
Cost of sales	• While some fixed costs remain constant regardless of the number of satellites, overall costs generally increase with the number of operational satellites. A large portion of costs comes from satellite depreciation, with manufacturing and launch costs amortized evenly over five years from the start of operation. As previously mentioned, to prepare for large contracts expected from 2026, the number of satellites will increase. This will lead to higher costs of sales, temporarily impacting gross profit negatively in 2025.	No changes
Selling, general and administrative expenses	• We plan to increase staff by approximately 50 people compared to the end of 2024, with a focus on expanding personnel at the Yamato Factory to support satellite mass production. Additionally, expenses related to the fourth series of stock options issued in June 2024 will be recognized. These are non-cash expenses and are expected to be fully expensed by June.	No changes

* No impact on business and earnings due to the U.S. tariffs is expected at this point of time

(1) It is assumed that subsidy income will be recorded at the time of receipt of the estimated payment as stipulated in Article 38 of the Space Strategy Fund Project Subsidy Handling Guidelines. Grant decision is expected in late February 2025

(2) The forward-looking statements on this page may be materially affected by business, economic, regulatory, and competitive uncertainties and contingencies that are beyond our control. These statements are based on certain assumptions regarding our future strategies and policies, which are subject to change. Actual future figures may differ from targets due to a variety of factors, and the differences could be significant. Nothing contained herein should be taken as an indication that these goals will be achieved, nor do we undertake any obligation to update these goals as circumstances change



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Appendix

Appendix :

- Company Overview & Business Model
- Market Growth and Competitive Environment
- Business Plan

To create a new infrastructure that enables the next generation to understand our Earth and achieve a resilient future

Our lives and our economic environment are threatened by various risks on a global scale, such as disasters, conflicts and climate change. To help protect ourselves against these risks while taking into account our natural environment and future generations, it is essential to quantitatively visualize and understand these risks. This requires data that is homogeneous, stable and extensive on a global scale.

We believe we can make this possible.
We are working to build a new infrastructure consisting of a constellation of SAR satellites that consistently monitors the Earth, analytic tools to process the vast amounts of data obtained and a network of partners.



Whenever and wherever disasters occur around the world, we will quickly acquire wide-area data soon after the event, promoting the swift initiation of rescue and relief activities and the formulation of early recovery plans.



We will monitor global conflict situations and disruptions in logistics, contributing to world peace and the provision of stable lifelines.



By quantitatively and continuously monitoring global forest distribution and offshore wind conditions, we will promote carbon credit trading and the adoption of renewable energy.

Company Overview

Synspective was co-founded in February 2018 by our CEO, Motoyuki Arai, and Seiko Shirasaka, who was in the ImPACT Program(1)

Company Overview

Company Name	Synspective Inc.
Established	February 22, 2018
Capital	\8,389 million, as of March 31, 2025
Head Office	3-10-3 Miyoshi, Koto-ku, Tokyo, Japan
Group Companies(2)	Synspective SG Pte. Ltd. (Singapore) Synspective Japan, Inc. (Tokyo) Synspective USA HD, Inc. (Colorado, USA) Synspective USA, HD, Inc. (Colorado, USA)
Employees	205 (Consolidated, as of the end of March 2025) A global team with members from 23 countries
Business	・Sales of SAR image data ・Solution services using SAR data ・Development and operation of small SAR satellites

Head Office／Synspective Japan





Synspective SG Pte. Ltd.



Yamato Technology Center



(1) Japanese national R&D program led by Cabinet Office https://www.jst.go.jp/impact/
(2) Synspective USA, Inc. is a wholly-owned by Synspective USA HD, Inc., while the others are a wholly-owned company by Synspective Inc.

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Business domain

Synspective

Synspective is expanding its business in the growing field of developing and operating SAR (Synthetic Aperture Radar) satellite constellations and utilizing satellite data

What is a Satellite Constellation?

A satellite Constellation is a system that operates multiple satellites in coordination with one another.
By placing them in orbit so that their communication ranges do not overlap, this enables high-frequency imaging of large parts of the entire world.
'Constellation' means 'star constellation'.

Major types of satellites and their roles

Observation Satellite

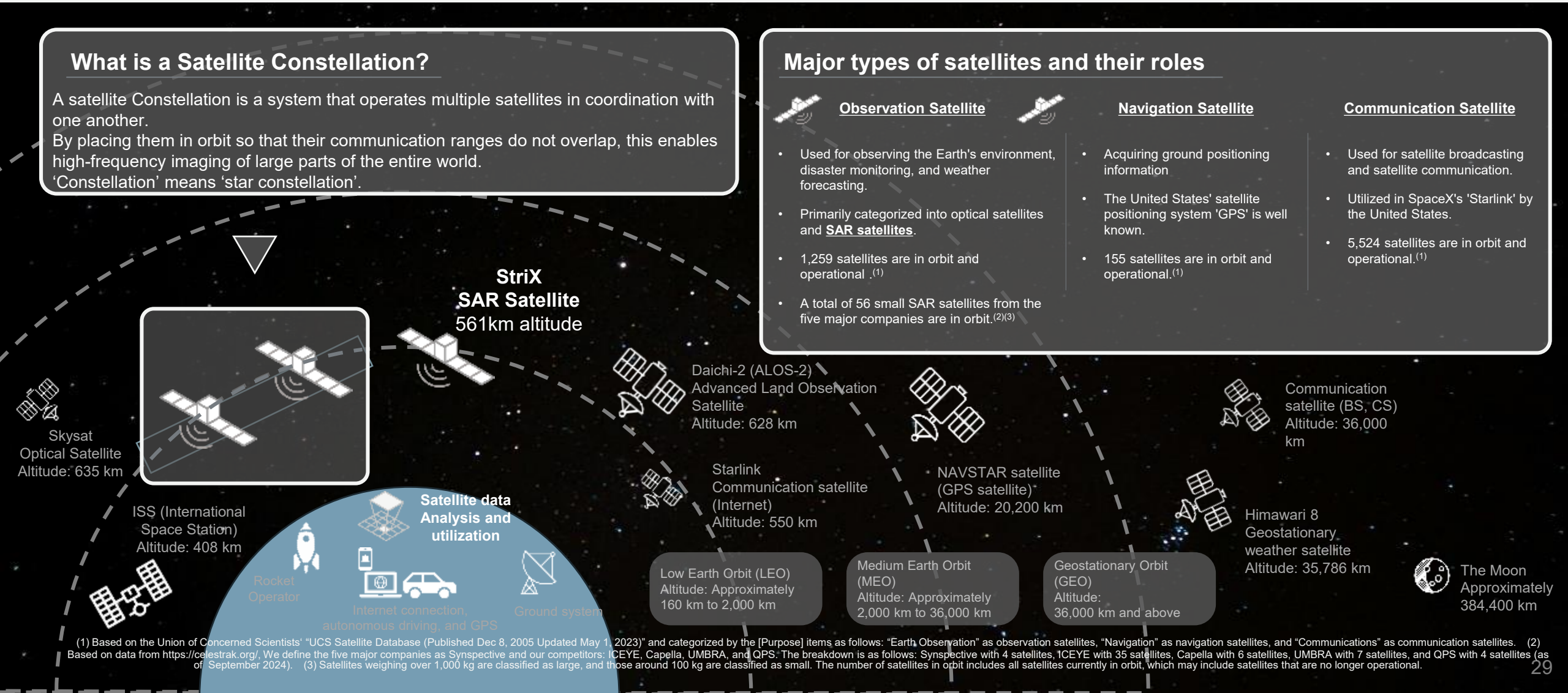
- Used for observing the Earth's environment, disaster monitoring, and weather forecasting.
- Primarily categorized into optical satellites and **SAR satellites**.
- 1,259 satellites are in orbit and operational .(1)
- A total of 56 small SAR satellites from the five major companies are in orbit.(2)(3)

Navigation Satellite

- Acquiring ground positioning information
- The United States' satellite positioning system 'GPS' is well known.
- 155 satellites are in orbit and operational.(1)

Communication Satellite

- Used for satellite broadcasting and satellite communication.
- Utilized in SpaceX's 'Starlink' by the United States.
- 5,524 satellites are in orbit and operational.(1)



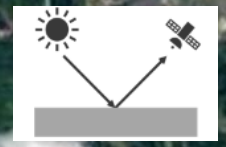
(1) Based on the Union of Concerned Scientists' "UCS Satellite Database (Published Dec 8, 2005 Updated May 1, 2023)" and categorized by the [Purpose] items as follows: "Earth Observation" as observation satellites, "Navigation" as navigation satellites, and "Communications" as communication satellites. (2) Based on data from https://celestrak.org/, We define the five major companies as Synspective and our competitors: ICEYE, Capella, UMBRA, and QPS. The breakdown is as follows: Synspective with 4 satellites, ICEYE with 35 satellites, Capella with 6 satellites, UMBRA with 7 satellites, and QPS with 4 satellites (as of September 2024). (3) Satellites weighing over 1,000 kg are classified as large, and those around 100 kg are classified as small. The number of satellites in orbit includes all satellites currently in orbit, which may include satellites that are no longer operational.

Differences between SAR satellites and optical satellites

Synspective

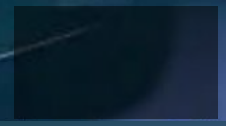
Compared to optical satellites, which are the mainstream for Earth observation satellites, SAR satellites are capable of acquiring data regardless of weather conditions or time of day and are excellent at capturing continuous changes

	SAR satellites		Optical satellites
	Emit microwaves and observe the reflected waves	Observation Method	Capture the Earth's surface using reflected sunlight
✓	Capable of capturing images 24 hours a day, 365 days a year	Impact of Weather and Time	Visibility is obstructed in cloudy weather and visibility decreases at night
Shape	Physical characteristics of the target object	Observable Information	Color of the target object
✓	Strong in time-series analysis and change detection, enabling the analysis of continuous changes	Analysis of Changes	Low suitability for change analysis





Color



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※This is an illustrative image with clouds added to the original image. The original image is sourced from TerraMetrics.

Our technology

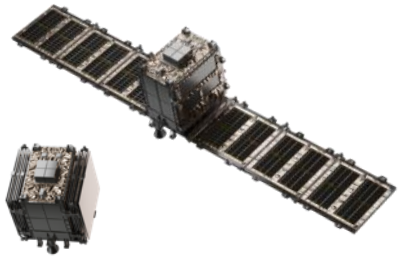
Our strengths lie in the development and manufacturing capabilities of SAR satellites to achieve miniaturization and cost reduction necessary for constellation formation, as well as in our analytical capabilities to deliver meaningful information obtained from SAR satellite data to customers

Acquire SAR satellite data and consistently provide value to the end-users

Development and manufacturing capabilities of small SAR satellites

StriX

100 kg-class Small SAR satellites



Comparison with traditional large SAR satellites(1)

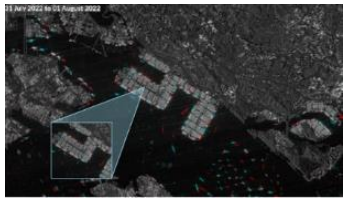
Miniaturization
Weight ratio:
Approximately 1/10 or less

Cost Reduction
Approximately 1/20 or less

Enables constellation formation
(High-frequency data acquisition)

+

Analytical capabilities of SAR satellite data



Technical domains necessary for analysis

- SAR Data Processing
- Remote Sensing
- Data Science

Challenges of SAR satellite data

- ✓ Low visibility
- ✓ Wide-area and large volumes of data

Significant information extraction enabled through automated analysis.

SAR satellite data

Solution

(1) Satellites over 1,000 kg are classified as large, while those weighing between 100-500 kg are classified as small. As an example of traditional large satellites, the large SAR satellite "Advanced Land Observing Satellite-4 (ALOS-4)" developed by JAXA and manufactured by Mitsubishi Electric has a mass of approximately 3 tons, with a total project cost of approximately 32 billion yen, including launch expenses (https://www.jaxa.jp/about/transition/index_j.html).

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Strong relationship with the Japanese government

Our company, established through the Cabinet Office's "Impulsing Paradigm Change through Disruptive Technologies Program (ImPACT)," has continued to maintain close communication with the Japanese government through various projects. We are recognized by the government as a key startup capable of competing globally

Development of small SAR satellites through the ImPACT program

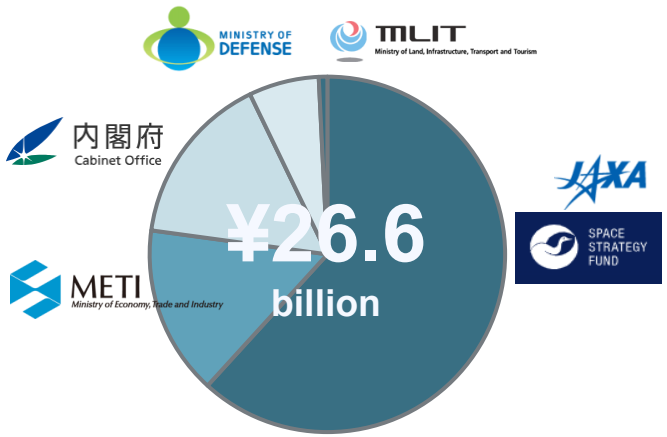
- Our small SAR satellite, StriX, was initially developed under the Cabinet Office's ImPACT program
- Experienced engineers from JAXA, the University of Tokyo, Tokyo Institute of Technology(currently, Institute of Science Tokyo) and Keio University participated in this program
- Synspective inherited those core technologies and engineers, and was established as a spin-off company through private fundraising

内閣府 Cabinet Office

革新的研究開発推進プログラム ImPACT Impulsing Paradigm Change through Disruptive Technologies Program

Cumulative government project contracts totaling approximately 26.6 billion yen(1)

- We have secured over 40 contracts for commissioned development, grants and various demonstration projects to provide data and solution services
- Along with receiving subsidy income, we have advanced business development and acquisition of government demand



Awards/Recognitions from the Government

- The government recognizes Synspective as a key startup capable of competing globally(2)
- Acknowledged as an entity that provides social impact and nurtures the next generation

内閣府 Cabinet Office — Recipient of the Minister of State for Space Policy Award from the Cabinet Office（2024）

J-Startup Impact — Selected as a startup creating social impact（2023）

文部科学省 MINISTRY OF EDUCATION, CULTURE, SPORTS, SCIENCE AND TECHNOLOGY-JAPAN — Our CEO, Motoyuki Arai has been appointed as an Ambassador for Entrepreneurial Promotion（2023）

(1) Cumulative since 2018 includes contracts for which revenue has already been partially or fully recognized.
(2) The company is “recognized by the government as an important startup that can compete with the rest of the world” due to its selection as a J-Startup and J-Startup Impact. - Source https://www.j-startup.go.jp/ https://www.j-startup.go.jp/news/news_231006.html

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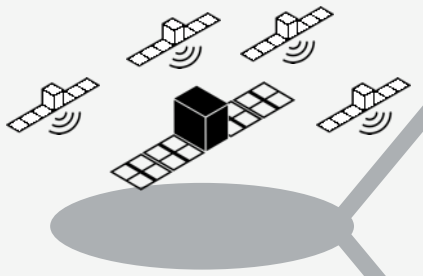
Business Model

We provide two services to government and private customers with expected recurring demand: the sale of observation data acquired by SAR satellite constellations and solutions involving data analysis

SAR Data Acquisition



Service

SAR Data Sales

- Sell SAR data to customers
- Contract based on the number of images x price per image

Analytics Solutions Sales

- Automated analyze SAR data using data science and sell the obtained information to customers
- Contract based on the number of images x analysis unit price(1)

Customer

Government

Traditional markets with SAR data analysis capabilities, enabling direct use of the data.

- Security
- Risk for disasters

Recurring demand

Fixed-point observation needs for sites/objects of interest.

- ✓ Security
- ✓ Disaster prevention/mitigation
- ✓ Infrastructure/National development

Private operators

Emerging markets demand analysis rather than raw data due to lack of SAR data analysis capabilities.

Recurring demand

Time-series analysis needs for sites/objects of interest.

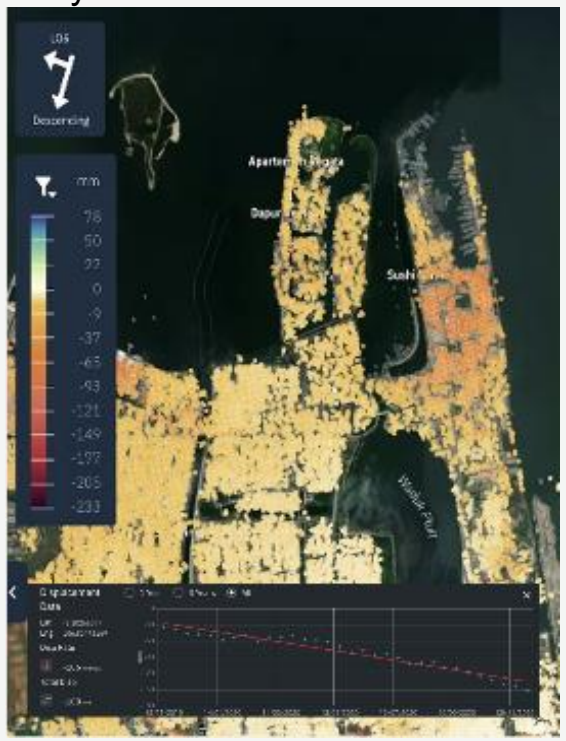
- ✓ Disaster risk/damage assessment
- ✓ Safety management and maintenance of large facilities and construction
- ✓ Environmental surveys of terrain, wind conditions, forests, etc.

(1) The analysis price indicates the analysis fee per image captured

Solution examples driving business expansion

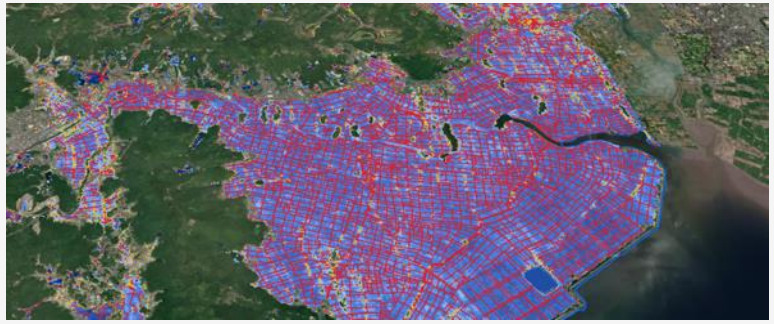
To expand into new markets in the private sector, solution services that include data analysis are essential. As the frequency and volume of SAR data, which remains insufficient in the market, increase, the improvement in analysis accuracy is expected to lead to significant expansion

■ Ground/Foundation and Infrastructure Analysis



Land Displacement Monitoring
A service that detects wide-area surface and infrastructure movement in millimeters and provides time-series analysis results. It is used for disaster risk assessment like subsidence or landslides and infrastructure maintenance.

■ Disaster Damage Analysis

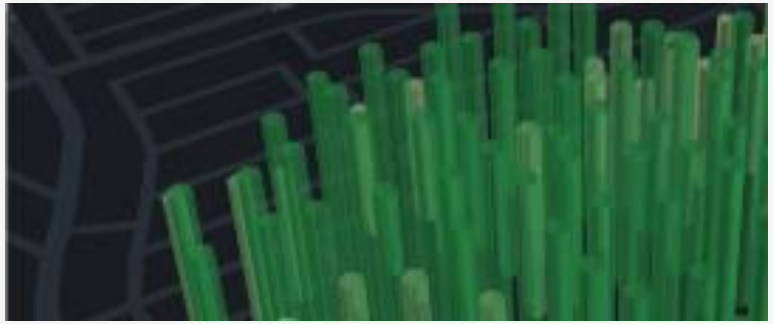


Flood Damage Assessment
A service for evaluating flood-related inundation damage (inundation area, depth, damaged roads and buildings). The service is used for insurance damage assessments and quick investigations for rescue operations.

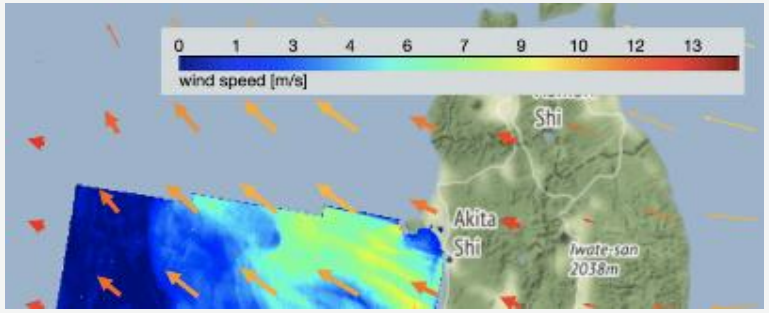


Disaster Damage Assessment
A service for analyzing pre- and post-disaster changes (such as landslides and house collapses).

■ Environmental Analysis



Forest Inventory Management
A service for analyzing tree height, biomass, forest type classification and logging status. The service is used for reducing forest management costs and carbon credit trading.



Offshore Wind and Wave
A service for observing and analyzing wave heights and wind strength across wide ocean areas based on actual measurements. The service aids in selecting locations for offshore wind farms and improving maintenance and operation management efficiency.

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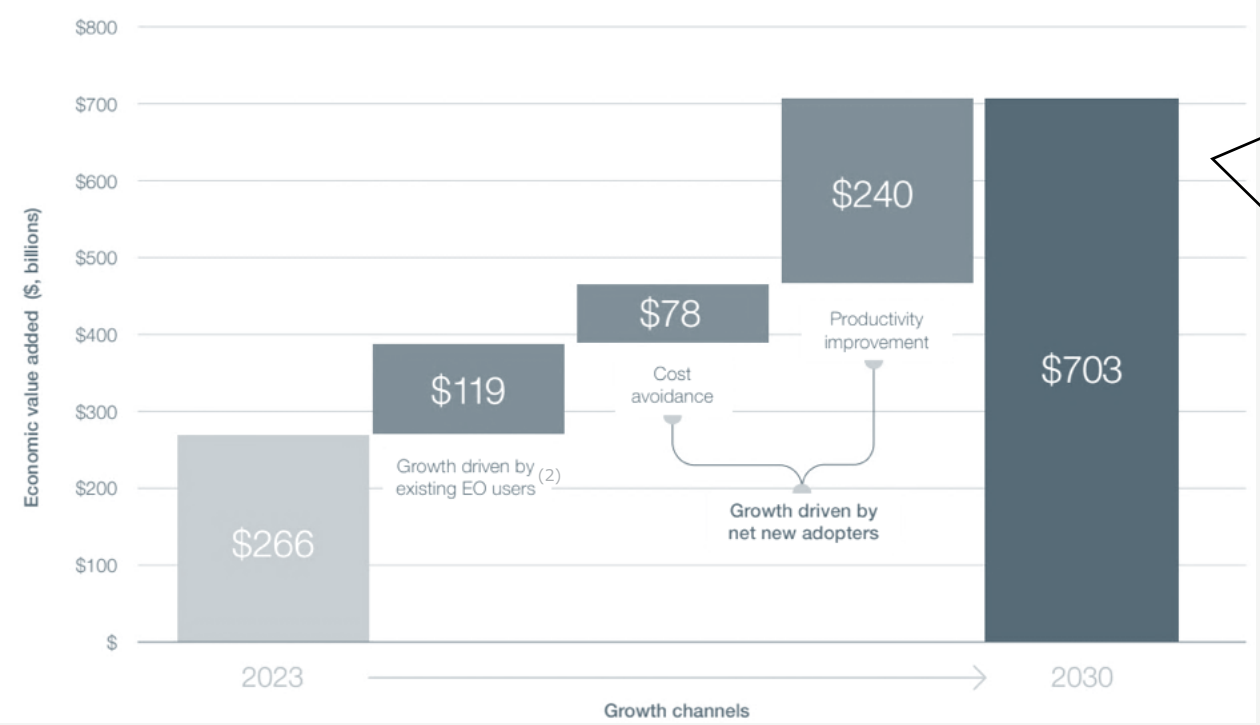
Importance of Solution ①: Expansion into the growing private market

Synspective

Data sets enhanced through analysis are provided to private companies as solutions aimed at risk reduction and productivity improvement, with the market expected to exceed 100 trillion yen by 2030(1)

■ Scalability of the satellite data market through solutions

Approximately 39.9 trillion yen (2023) → Approximately 100 trillion yen (2030) (1)



Market forecasts by industry

The market is expected to expand in the following industries, aimed at risk reduction, such as monitoring threats to critical infrastructure and improving disaster response, as well as enhancing productivity by incorporating satellite data into industry operations.

Key Industries
- Agriculture: 59.9 trillion yen
- Mining/Oil & Gas: 16.2 trillion yen
- Government/Disaster Response: 7.1 trillion yen
- Electric: 7.1 trillion yen
- Transportation: 5.3 trillion yen
- Finance & Insurance: 3.5 trillion yen

Source：Amplifying the Global Value of Earth Observation INSIGHT REPORT MAY 2024: https://www3.weforum.org/docs/WEF_Amplifying_the_Global_Value_of_Earth_Observation_2024.pdf
(1) Market size source data converted at an exchange rate of 1 USD = 150.0 yen.
(2) The 'EO' in question includes not only satellite data but also 'In-situ' data collected through on-site IoT sensors.

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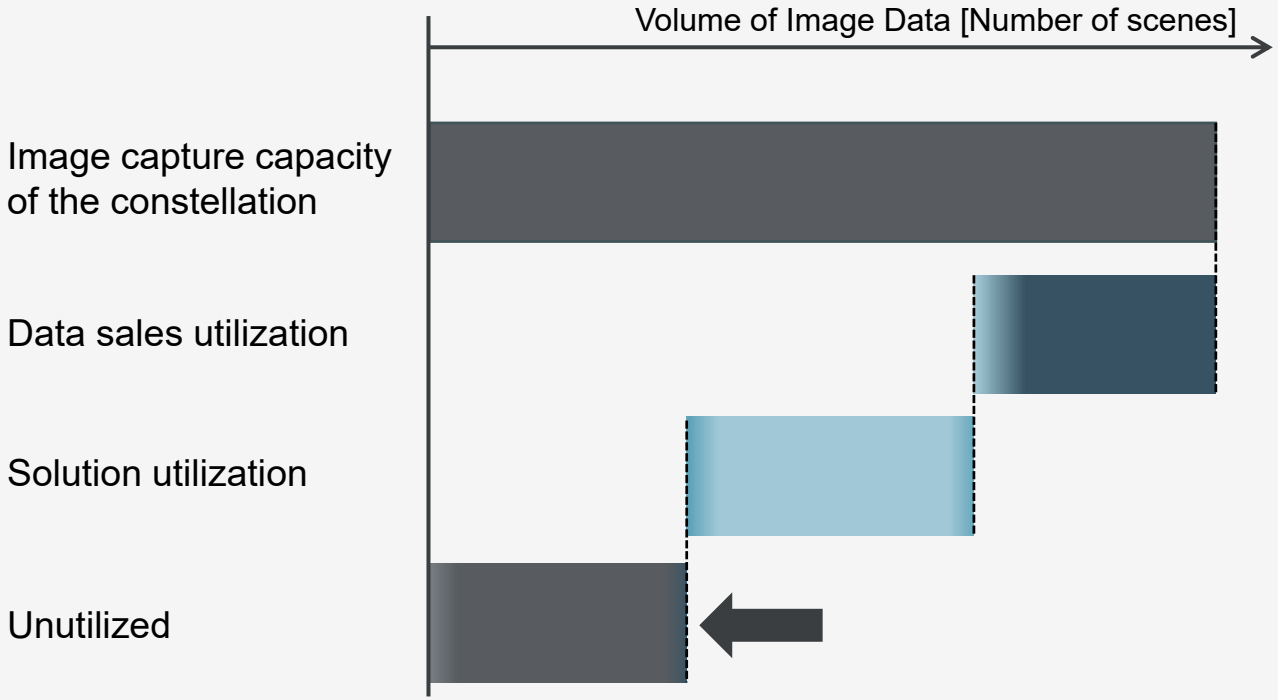
Importance of Solution ②: High Profitability through Utilization of Surplus Data

- By allocating surplus image capture capacity(1) that is not used for data sales to solutions, we aim to maximize the profits generated by the constellation
- The ability to internally produce and use large amounts of data improves analysis accuracy, providing a competitive advantage over other analysis companies

■ Image of Effective Utilization of Image capture Capacity in Solutions(2)



Since a cycle of charging(3) and imaging is repeated, only a portion of the total capacity actually aligns with the areas of interest of customers

▼

The private sector has different areas of interest, allowing the unutilized capacity mentioned above to be used for solutions

▼

This allows for a reduction in unutilized capacity, maximizing the profits generated by the constellation(4)

(1) Maximum number of scenes that can be captured by satellites currently operating in orbit.. This includes the number of scenes that have not been actually captured.
(2) The above is a conceptual illustration of the satellite constellation after its establishment and does not reflect the actual number of uses or usage proportions, nor does it imply actual performance.
(3) The charging time refers to the period during which solar energy is stored for imaging, during which imaging cannot be performed
(4) In reality, archived data can also be sold at a later date, allowing for further reduction of unutilized capacity.

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Importance of Solution ③: Shift from Data to Solution

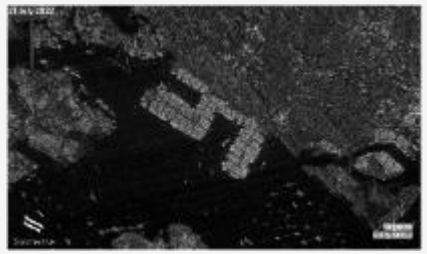
- In the defense sector, interpreting SAR data requires expertise and is currently done by government analysts. However, with constellations producing massive amounts of data, there is an increasing demand for automated analysis.
- Simultaneously, this shift is effective as a hedge against the long-term risk of price erosion in data sales

■ Automated analysis becomes mainstream with the acquisition of massive data.

Current Situation

Purchasing daily data for a few locations, analyzed manually by experts/analysts.

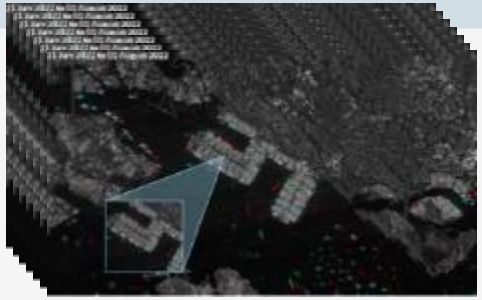
Selling a limited amount of data to experts/analysts



In the Future

Analyzing multi-location, multi-hour data provided by constellations manually becomes difficult.

Conduct automated analysis of vast amounts of data to assist experts/analysts, and report the high-value-added information obtained.



Movement towards Transitioning to Solution Services

◆ **US: LUNO project**



- ✓ Strengthen the National Geospatial-Intelligence Agency's (NGA) initiatives in machine learning/AI.
- ✓ The focus is on using commercial data to build a system for managing large volumes of data(1)

◆ **Japan: Ministry of Defense AI Utilization Promotion Basic Policy**

防衛省・自衛隊 MINISTRY OF DEFENSE

To handle the exponential growth in target information resulting from the increase and enhancement of diverse sensing information like radar tracks, satellite images and aerial images, AI and edge computing with AI will be utilized to improve and expedite the detection and identification tasks that were previously done manually.(2)

Source: Extracted from examples on our website, Synspective's small SAR satellite 'StriX-β' captures vessel movements in Singapore's port. : https://synspective.com/jp/usecase/2022/daily-visit-singapore/

(1) Source : NGA > News https://www.nga.mil/news/NGA_announces_$290M_Luno_A_commercial_data_RFP.html
(2) Source : Regarding the formulation of the Ministry of Defense AI Utilization Promotion Basic Policy https://www.mod.go.jp/j/press/news/2024/07/02a_03.pdf

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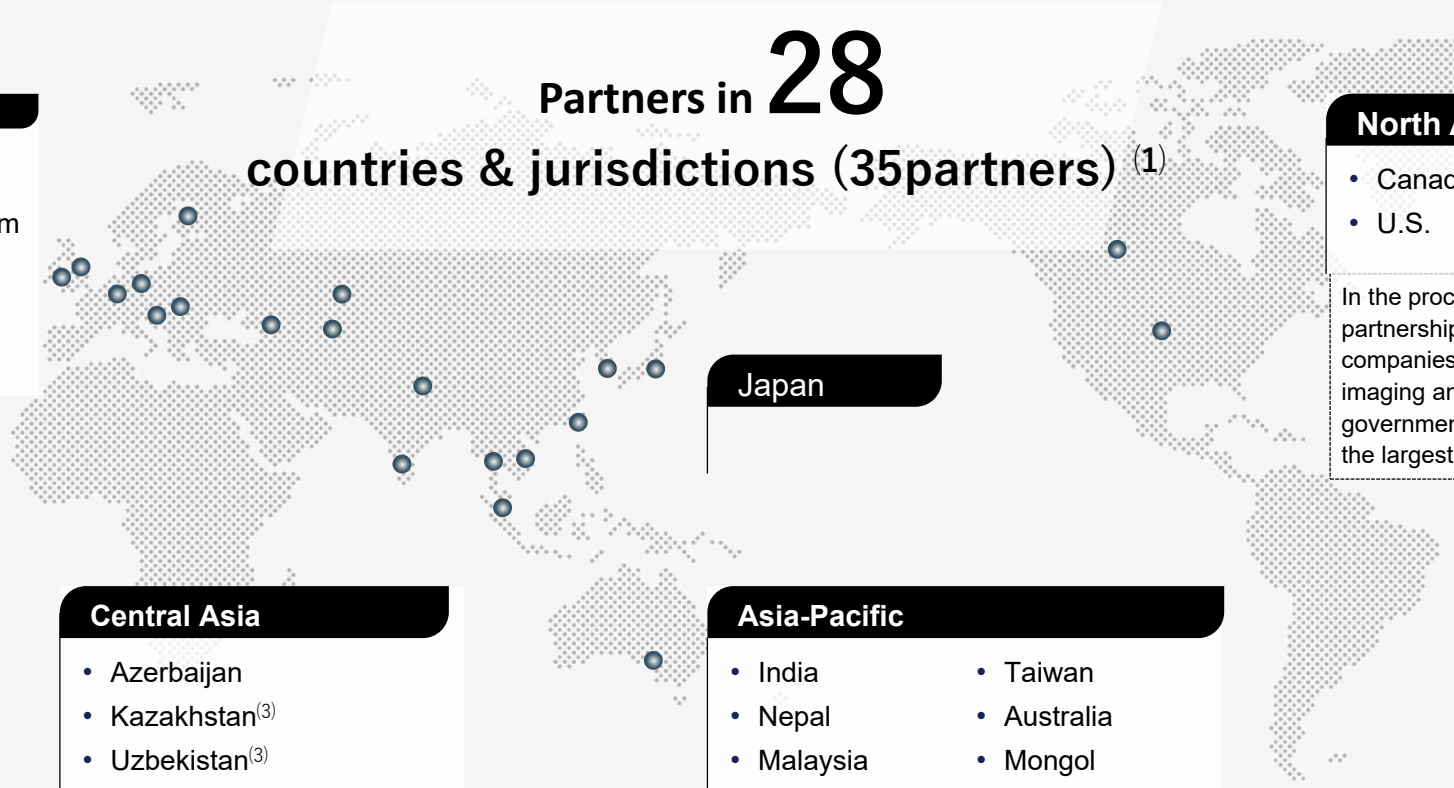
Our Global Partner Network

Beginning with contracts with the Japanese government, we are expanding our business globally in both governmental and private sectors, secured government and private contracts in multiple countries, in collaboration with the Japanese government and partner companies

Partners in 28 countries & jurisdictions (35partners) (1)



Europe

- Croatia
- Finland
- Germany
- Hungary
- Ireland
- Poland
- United Kingdom
- Romania
- Turkey

Japan

North America

- Canada
- U.S.

In the process of establishing partnerships with prominent US companies (10 or more) to provide imaging and analytics services for a government-led project in the US, the largest market(2)

Central Asia

- Azerbaijan
- Kazakhstan(3)
- Uzbekistan(3)
- UAE

Asia-Pacific

- India
- Nepal
- Malaysia
- Vietnam(3)
- Thailand
- South Korea
- Taiwan
- Australia
- Mongol
- Philippine
- Indonesia
- Sri Lanka

(1) As of May 2025
(2) This refers to stages including memorandums of understanding (MoU) toward partnership collaborations and those that are still under negotiation.
(3) Regarding Uzbekistan, Kazakhstan and Vietnam, MoUs have been signed with the governments in these countries.

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Appendix :

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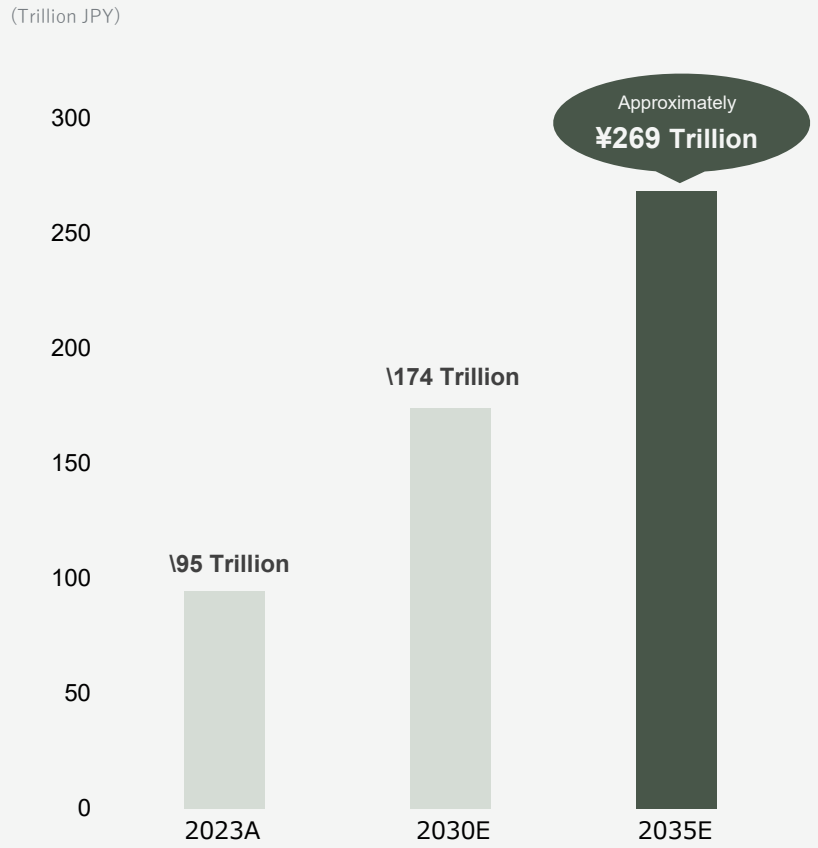
Expansion of the global SAR satellite market

Synspective

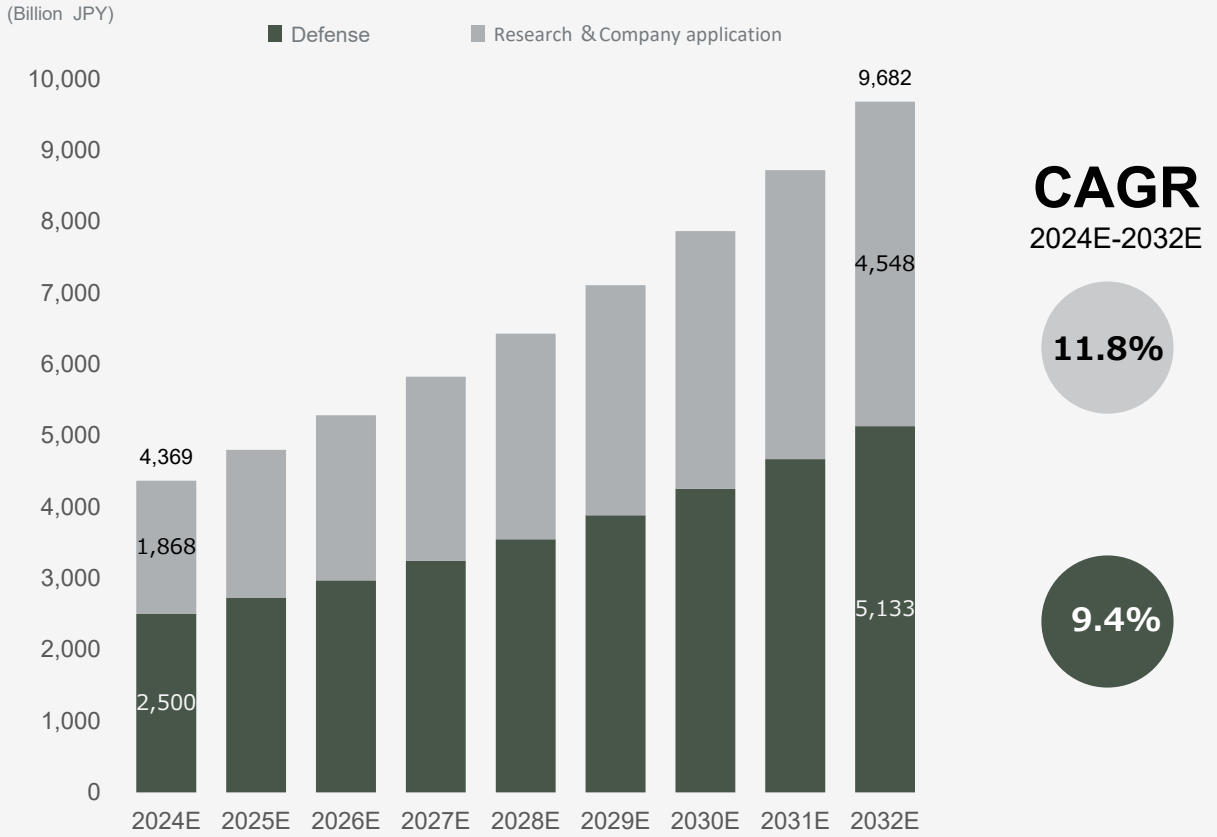
The SAR satellite market is expanding, driven by the defense industry. Additionally, the private sector market is emerging, focusing on disaster and environmental risk management

■ Market size projections for the space industry



Source: World Economic Forum, “Space: The $1.8 Trillion Opportunity for Global Economic Growth” (April 2024). Market size data in the source has been converted using an exchange rate of 1 USD = 150.0 JPY.

■ Market size projection of SAR by application



Source: Global Market Insights, "Synthetic Aperture Radar (SAR) Market Report, 2024-2032," (May 2023). Market size data in the source has been converted using an exchange rate of 1 USD = 150.0 JPY. The market size includes SAR data services captured by satellites, aircraft and UAV.

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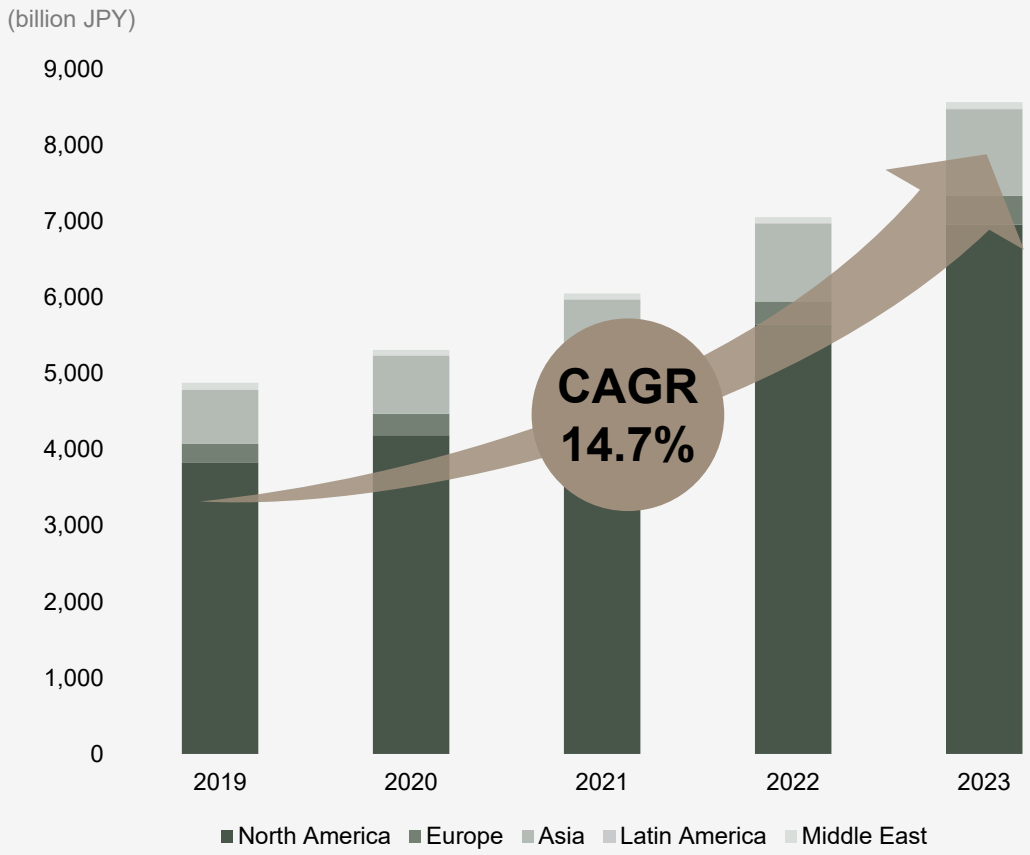
Expansion of private sector utilization in the space and defense industries

Synspective

Global space and defense budgets, which drive the demand for SAR satellite data, have been continuously increasing over the past five years. Considering the high technological and financial risks in the space and defense industries, governments around the world have become more proactive in utilizing private companies



Source：Euroconsult, “Government Space Programs, 23rd edition.”（2023）Market size data in the source has been converted using an exchange rate of 1 USD = 150.0 JPY.

July 2021: US Air Force × Umbra(1)
Umbra has secured an Indefinite Delivery/Indefinite Quantity (IDIQ) contract with a ceiling value of $950 million to achieve Joint All-Domain Command and Control (JADC2), aimed at the maturation, demonstration and proliferation of capabilities across platforms and domains.

May 2022: NRO × Maxar Technologies(2)
The National Reconnaissance Office (NRO) has entered into Electro-Optical Commercial Layer (EOCL) contracts with three companies—Planet Labs Federal, Inc., Maxar Technologies, and BlackSky—valued at several billion dollars over a period of up to 10 years.

February 2023: NGA × Maxar Technologies(3)
The National Geospatial-Intelligence Agency (NGA) has entered into a five-year contract with Maxar Technologies to provide commercial satellite imagery to United States' allies. The contract is valued at up to $192 million and includes provisions for high-resolution, premium imagery as well as SAR imagery.

January 2024: SDA × L3Harris, Lockheed Martin, Sierra Space(4)
The Space Development Agency (SDA) has signed a contract of approximately $2.5 billion contract with three companies—L3Harris Technologies, Lockheed Martin, and Sierra Space—for the manufacturing and operation of missile-tracking satellites. A total of 54 satellites equipped with infrared sensors capable of tracking hypersonic missiles throughout all phases of flight are planned to be manufactured.

(1) Source：Umbra Press Release https://umbra.space/blog/umbra-awarded-950m-idiq-contract-following-space-x-launch/
(2) Source：National Reconnaissance Office Release https://www.nro.gov/Portals/135/documents/news/press/2022/press_release_05-22.pdf?ver=uKk6OOfq-yabhxjumr6yIA%3d%3d&timestamp=1661194501050 https://ir.blacksky.com/news-events/press-releases/detail/78/blacksky-reports-second-quarter-2022-results
(3) Source：Maxer Press Release https://www.maxar.com/press-releases/maxar-awarded-192m-foreign-commercial-imagery-program-idiq-contract
(4) Source：SPACE NEWS https://spacenews.com/space-development-agency-awards-contracts-worth-2-5-billion-for-missile-tracking-satellites/

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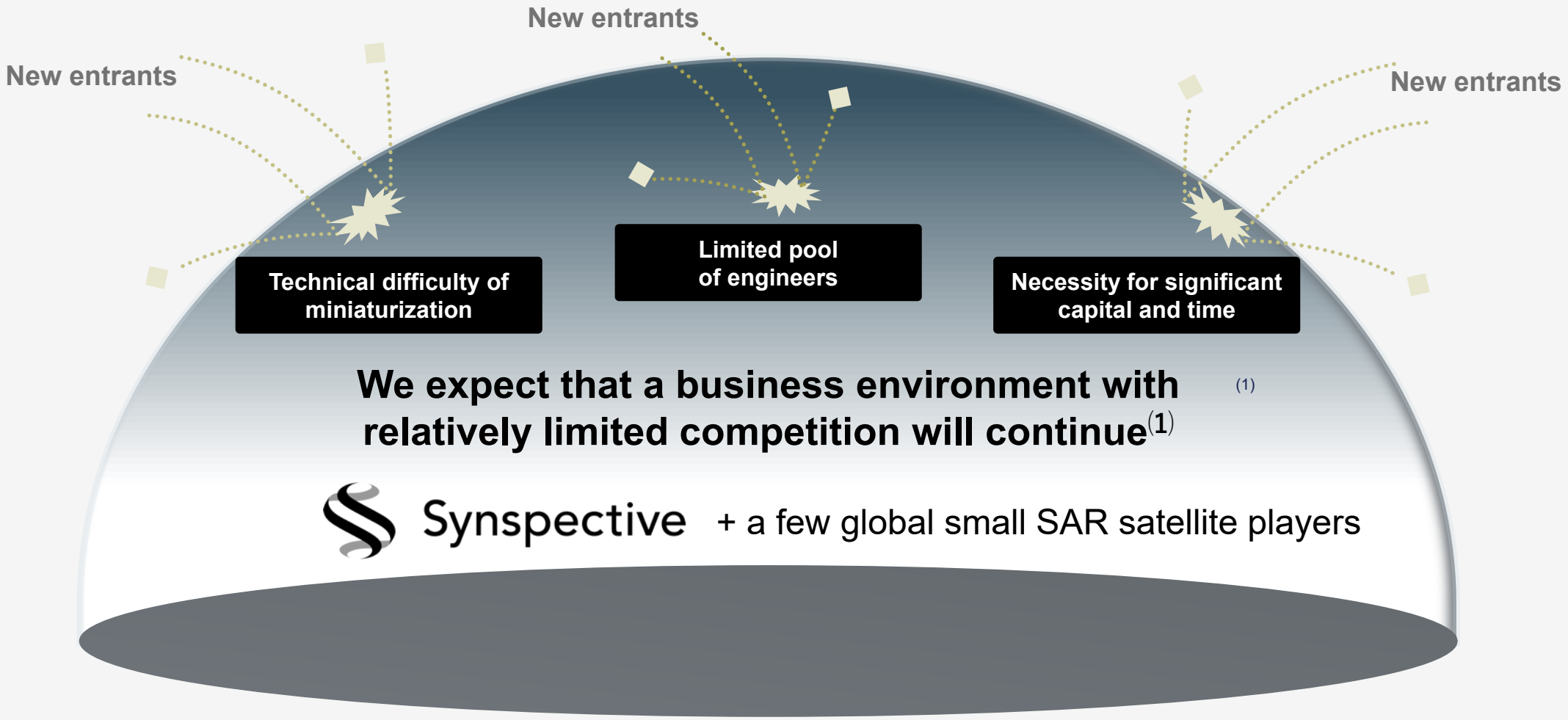
Limited competitive landscape

We anticipate that due to the shortage of players relative to global demand and various barriers to entry, an environment with relatively limited competition will continue for the foreseeable future



(1) This is our assumption, and the long-term business environment may change.

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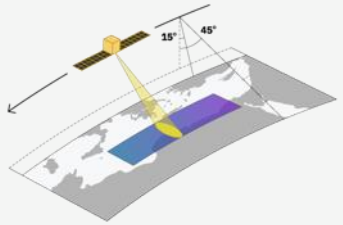
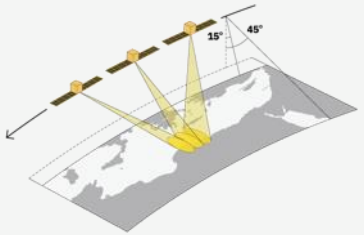
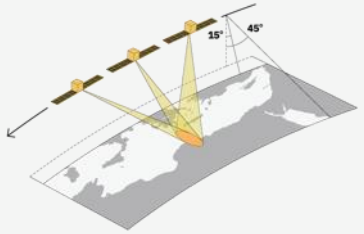
Resolution of our StriX satellites

Capable of capturing images over a wide area with high resolution

Stripmap mode		
Observation Width*1	10~30km （Nominal 20km）	
Observation Length	50~70km （Continuous Imaging : Max. 500km）	
Resolution*2	Range 3.6m × Azimuth 2.6m	
Sliding Spotlight mode		
Observation Width	10km（Nominal）	
Observation Length	10km	
Resolution	Range 0.46m × Azimuth 0.5m	
Staring Spotlight mode		
Observation Width	10km（Nominal）	
Observation Length	3km	
Resolution	Range 0.5m × Azimuth 0.25m	

(1) Nominal (value) is a reference value for dimensional tolerance and refers to the average of measured values.

(2) The highest resolution that can be observed, including our actual values.

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Achieved the highest resolution in Japan

With the launch of the satellite in 2024, StriX will achieve the world's highest ground resolution, and will also be able to image a wider area than other satellite operators by switching observation modes.

Comparison of specifications for each satellite operator (using each company's high-resolution observation mode for comparison)



Company	Country	Observation mode	Ground resolution	Imaging area
Synspective	Japan	Staring spotlight mode (High-resolution mode)	0.25m	10km×3km
		Sliding Spotlight mode	0.5m	10km×10km
		Stripmap mode (Wide-area mode)	2.6m	20km×50～70km
Company A	Finland	High-Resolution Mode	0.25m	5km×5km
Company B	USA	High-Resolution Mode	0.25m	5km×5km
Company C	USA	High-Resolution Mode	0.25m	10km×10km
Company D	Japan	High-Resolution Mode	0.46m	7km×7km

(1) Based on information released by each companies as of the end of March 2025
(2) Observed n January 17, 2025, central Barcelona, Spain, staring spotlight mode

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Advantages of Wide-Area Imaging Capability

We believe our ability to capture wider areas compared to other satellite companies allows us to stand out, including in post-disaster situations that require timely damage assessment across a wide area

Bosai Xview: 2024 Noto Peninsula Earthquake

Image by Synspective(1)

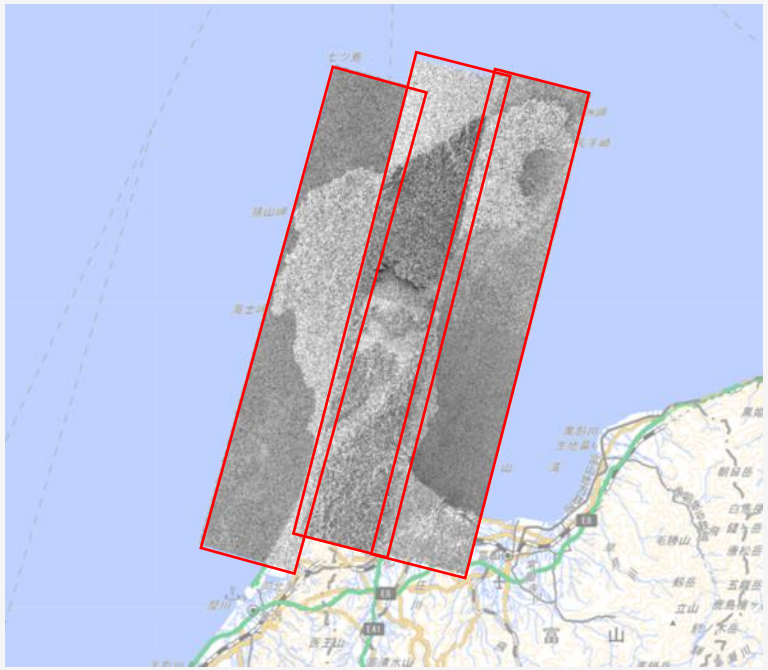

Image by C

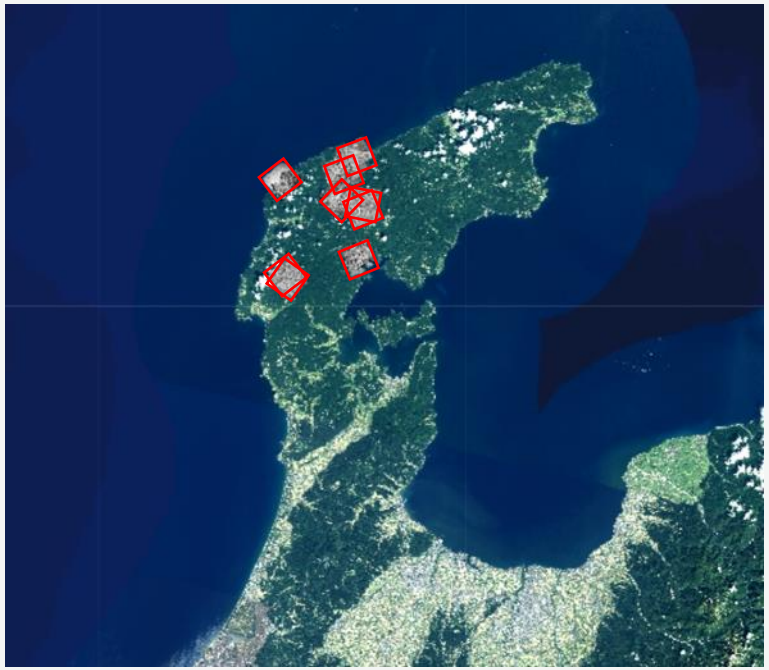

Image by D



(1) In order to support disaster response, information aggregated by SIP4D (Core Disaster Prevention Information Distribution Network) operated by NIED is integrated and published for specific purposes. During the 2024 Noto Peninsula Earthquake, satellite images are available: https://xview.bosai.go.jp/view/index.html?appid=41a77b3dcf3846029206b8610787778

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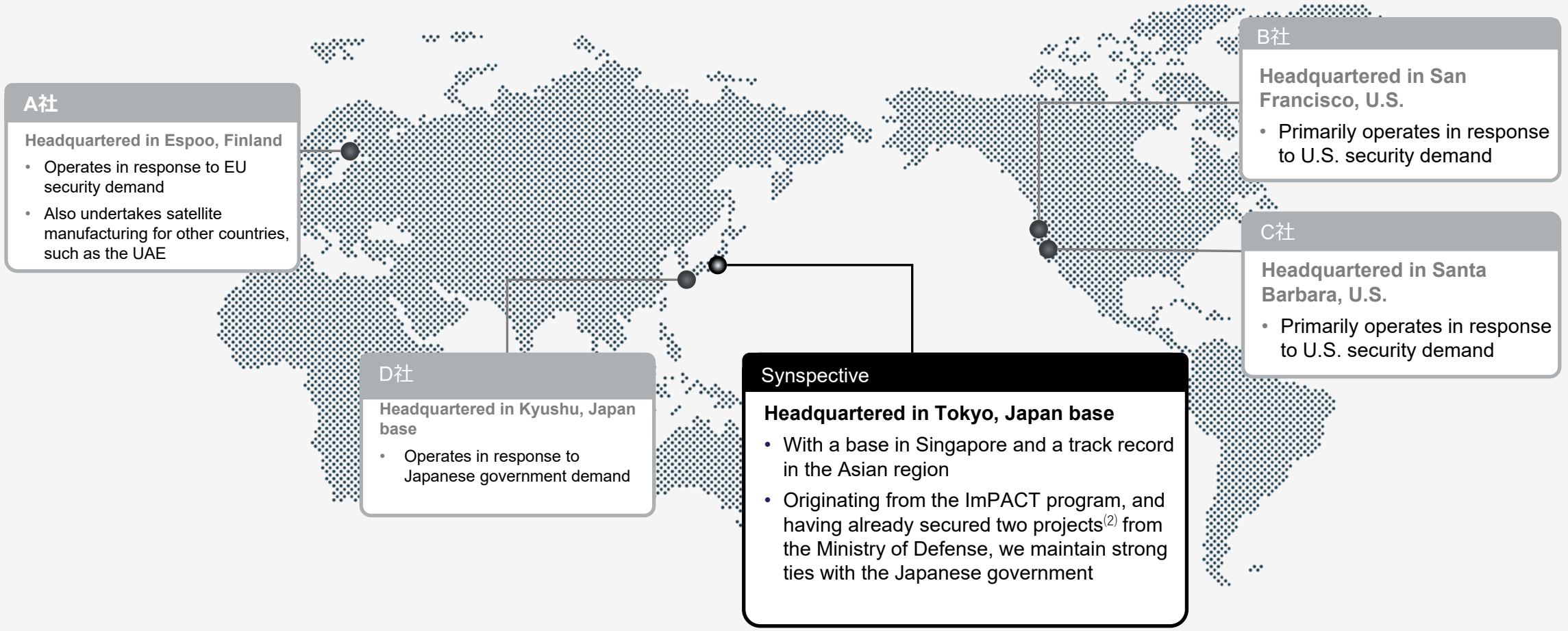
Positioning of global SAR players

In regions with relatively strong technological foundations, such as Japan, the United States and Europe, small SAR satellite operators have emerged and are currently focusing their business operations on their respective local areas

With the ongoing increase in Japan's defense budget, we believe that the two Japanese companies (iQPS and Synspective) have an advantage in securing additional government awards and contracts



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Growth strategy leveraging global expansion and solutions

Starting with data sales to the Japanese government, primarily in the security sector, we aim to expand the client base to include foreign governments to establish a stable revenue foundation. As the volume of available satellite data increases, we aim to expand revenue through solution sales

Short-term:
Primarily focused on data sales to the Japanese government

Mid-term:
Expand data sales to foreign governments

Long-term:
Expand solution offerings

Revenue composition for each growth stage



Customer expansion with increased data volume



X

>10satellites

< 24 h

Expand internationally in the defense and disaster prevention sectors through increased data volume



X

>30satellites

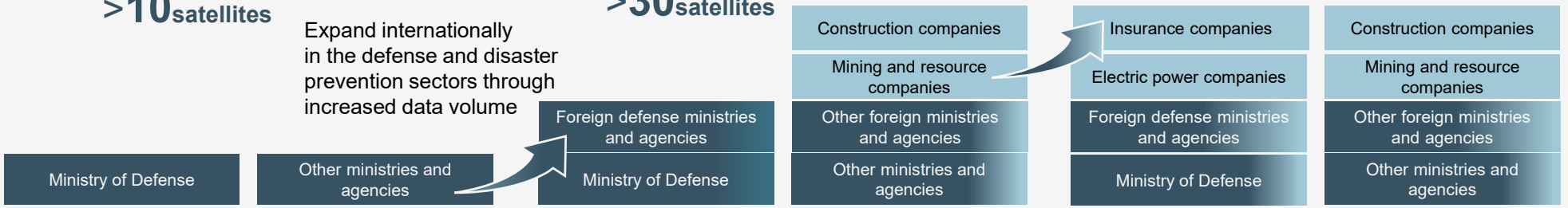
< 1 h

Multiple locations

Deploy analysis technology from the defense and disaster prevention sectors to the private sector



The number of operational units is expected to increase beyond the mid-term



(1)The above illustrates the transition of our medium to long-term revenue composition and is intended as a conceptual image. It does not correspond to the actual size of revenue and does not imply actual performance
(2)As of March 31, 2025

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Revenue model

The data sales price to national defense ministries is set higher due to the granting of privileges and ownership rights. Utilizing data in solutions can enhance both the sales rate and unit price

Revenue model for data sales primarily anticipated from government demand

Revenue from Data Sales =

Imaging capacity[1]	×	Data sales ratio[2]	×	Sales price per unit	×	Number of satellites
Approximately 1,200 scenes/month		Approximately 20-40%		Approximately \300-500K per scene		Aim for a 30-satellite by 2028 or later

- Imagery capacity per third-generation satellite (40 images per day)
- Includes sales to foreign ministries and agencies already projected
- Standard unit price based on past performance

✓ In addition to the above, **sales of archive data** are also possible

✓ Future sales to meet expected defense demands in various countries are anticipated to be priced at **approximately 2 to 3 times higher**.[3]

✓ Utilizing data in **solutions** can enhance **the sales rate**

✓ In solutions, this corresponds to the **"analysis unit price."** By providing high-value-added information, **it is possible to set a higher unit price than the above**

✓ Entered into a "Memorandum of Strategic Partnership for Satellite-Related Business" with Mitsubishi Electric Corporation on October 31, 2024. Collaborate with them on data sales to the Ministry of Defense and certain security agencies in Asia and other regions (a sales commission is expected to be incurred as a result of this collaboration)

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Major KPI in short/medium term

In the short- to medium-term, demand in the domestic defense sector is expected to grow, and sales are expected to increase as the number of satellites increases.
In the medium- to long-term, sales to the domestic defense sector are expected to increase gradually, and the ratio of overseas data sales and solution provision is expected to increase.

Items	Current (actual)	Short-term(1)	Medium-term(1)
# of sat in operation	4(2)	Around 11	Over 30
timing(3)	-	Around 2026	On/after 2028
# of images can be taken per month (4)	900 scenes	11,700 scenes	36,000 scenes～
Data sales ratio(5)	30.7%	Approx. 20~40%	30%~
Assumed sales unit price	Approx. 300~500 K JPYen(6)	Approx. 300~500 K JPYen(6)	—(7)
Clients	**Current (actual)**	**Short-term(1)**	**Medium-term(1)**
Domestic Defense Sector	65.1%	80%	60%
Others	34.9%	20%	40%

(1) In the short term, data sales will primarily be to the Japanese government. In the medium term, in addition to sales to the Japanese government, we plan to expand data sales to overseas governments and gradually develop solutions.
(2) As of February 2025, we are operating four satellites in orbit.
(3) The timeline may vary due to delays in manufacturing and launch, as well as changes in planning.
(4) The number of images that can be captured is the maximum calculated from the capacity of the satellites currently in operation orbit. In reality, there may be times when images are not captured. Currently (actual figures), satellite No. 6 is excluded from the count of the maximum number of images that can be captured because it is immediately after launch and before regular data sales have started. In the short term, the maximum number of images that can be captured is calculated by multiplying the capacity of the second and third generation satellites by 11. In the medium term, the calculation is based on multiplying the capacity of the third generation satellites by 30.
(5) The data sales rate is calculated by dividing the number of data provided by the number of images that can be captured. Data usage for solutions is excluded, and we plan to increase this ratio by acquiring diverse needs through solutions.
(6) Currently (actual figures), the range of actual sales prices is provided, and it is expected to remain at the same level in the short term. Furthermore, future sales at specific specs for certain government demands are expected to be at sales prices approximately two to three times higher.
(7) In the medium to long term, sales prices for data excluding the defense sector are expected to decline. However, by adding value through solutions, it is assumed that overall maintenance or increase of sales prices is possible.
(8) Currently (actual figures), the results for 24/12 are provided.

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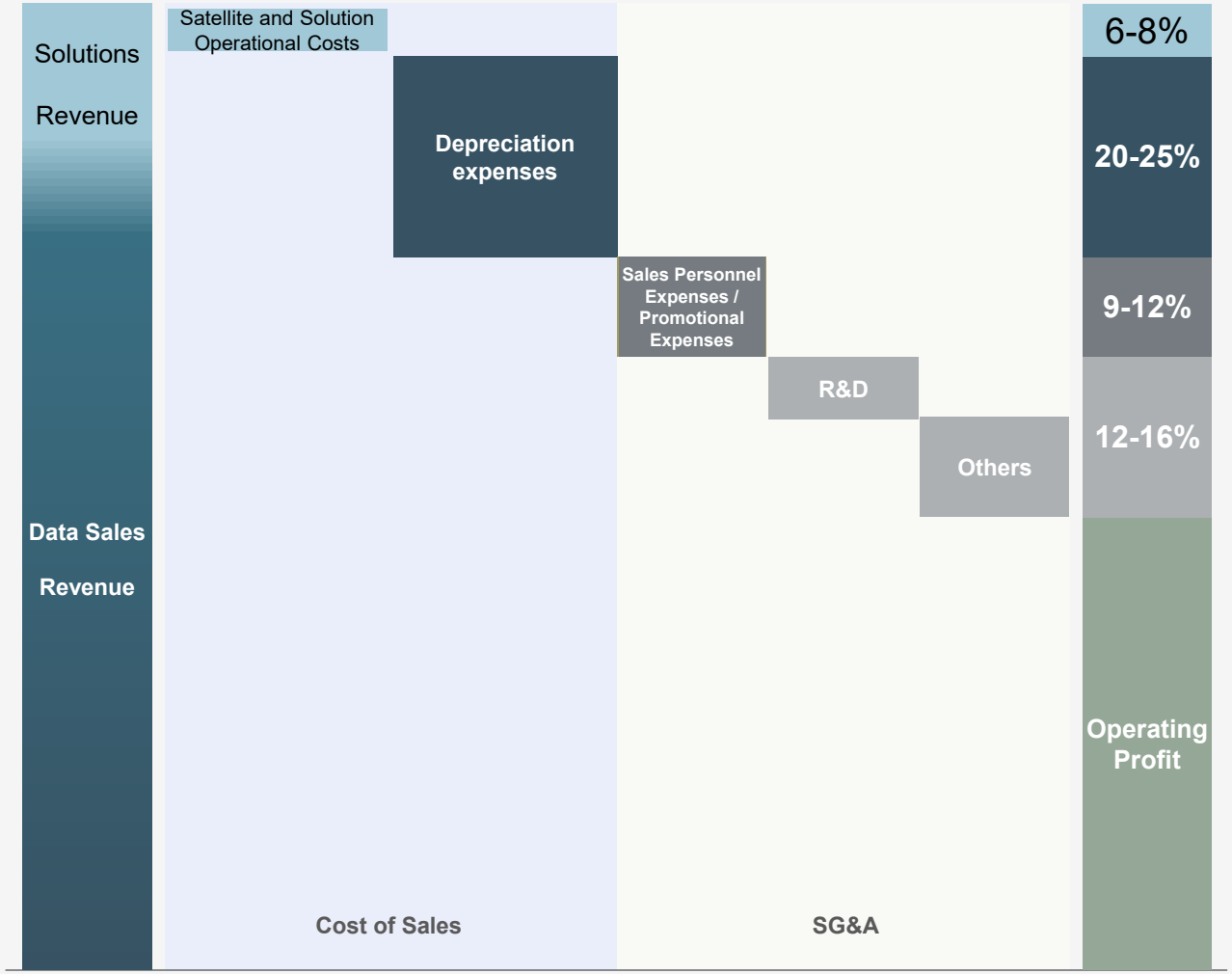
Long-term Cost Structure Image

- Key costs include satellite manufacturing expenses, operational costs and research and development expenses
- In the long term, our goal is to achieve high margins by reducing the proportion of fixed costs relative to revenue.



<Key Assumptions>

Satellite and Solution Operational Costs

- Composed of ground station usage fees, data storage costs, operational personnel expenses, etc.
- We anticipate reductions relative to revenue through increased automation from ongoing R&D and stable operations from accumulated know-how.

Satellite Manufacturing Costs (Satellite Depreciation Expenses)

- The manufacturing cost per satellite is approximately 1.1 to 1.4 billion yen, depreciated over five years.
- We anticipate potential cost reductions through shorter manufacturing periods due to learning effects, reduced fixed costs per unit from mass production and increased purchasing and negotiating power with suppliers.

Satellite Launch Costs (Satellite Depreciation Expenses)

- The cost per launch with our dedicated vehicle is approximately 1.1 billion yen, depreciated over five years.
- Shared launches with other satellites are about 300 million yen, and costs can be reduced by increasing this shared use. We also anticipate future cost reductions for dedicated launches due to intensified competition among providers.

Sales Personnel Expenses / Promotional Expenses

- By internalizing the sales team, costs are incurred as fixed expenses, and the increase in personnel required for expanding sales is expected to be limited.
- We anticipate incurring certain sales commissions through partnerships with sales partners.

R&D

- We plan to continuously invest approximately 600 to 700 million yen per year in next-generation satellite R&D and about 500 million yen per year in solution R&D.

(1) The above illustrates the long-term profit structure once our services are stably supplied. It is an image diagram and does not match actual revenue, costs, or operating profit sizes, nor does it imply actual performance.
(2) The forward-looking statements on this page may be significantly affected by business, economic, regulatory, and competitive uncertainties and contingencies beyond our control. These statements are based on certain assumptions about our future strategies and policies, which may change. Actual future figures may vary from targets depending on various factors, and the differences may be significant. The contents of this document do not indicate that these targets will be achieved, nor do we have any obligation to update these targets as circumstances change.

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Mid- to long-term workforce planning

In the short- to medium-term, we expect to increase the number of satellite manufacturing personnel to accommodate mass production of satellites.

	December 31, 2024	March 31, 2025	In Short-term(1)	In medium-term(1)
Total (personnel)	192	205	280	—(2)
Sat development	19%	19%	16%	15%
Sat manufacturing	18%	18%	27%	27%
Sat operation & solution	31%	31%	22%	23%
Business development, sales and administration	32%	32%	35%	35%

(1) In the short term, data sales to the Japanese government will be the main focus. In the medium term, in addition to data sales to the Japanese government, we will expand data sales to overseas governments and gradually increase the number of solutions.
(2) In the medium term, we expect to increase the number of employees by 20-30% compared to the short term.

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- Forward-looking statements in this material are based on current beliefs, assumptions, and information available to us. These statements, which may include projections about business plans, market size, competitive conditions, industry insights, and growth potential, are subject to various risks and uncertainties. Actual results may differ materially from those expressed or implied.

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