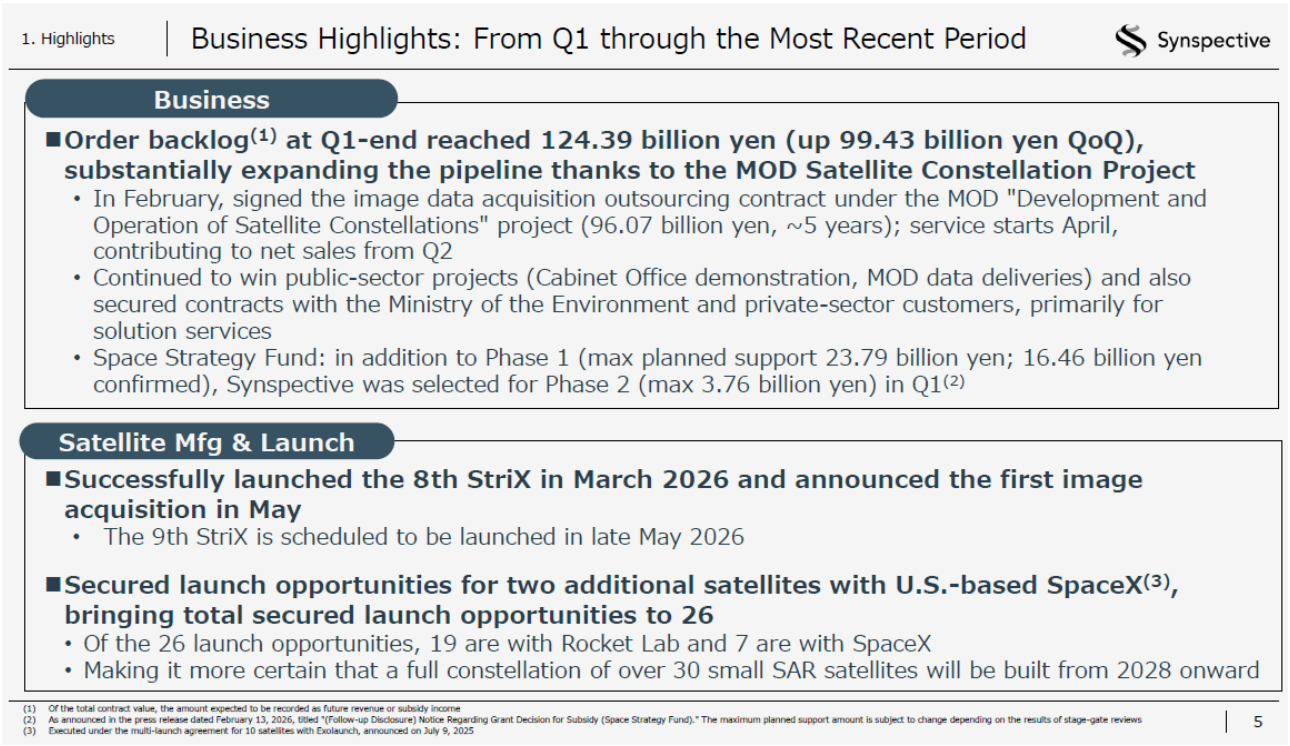
Supplementary Information

First Quarter of the Fiscal Year Ending December 31, 2026



Motoyuki Arai (Representative Director & CEO): I would like to report on the financial results for the first quarter of the fiscal year ending December 2026. Today, I will begin with the highlights, followed by a discussion of business progress, then an overview of the Q1 FY2026 results, and finally our full-year earnings forecast.

Let me start with an overview of developments from the beginning of this quarter through the present.

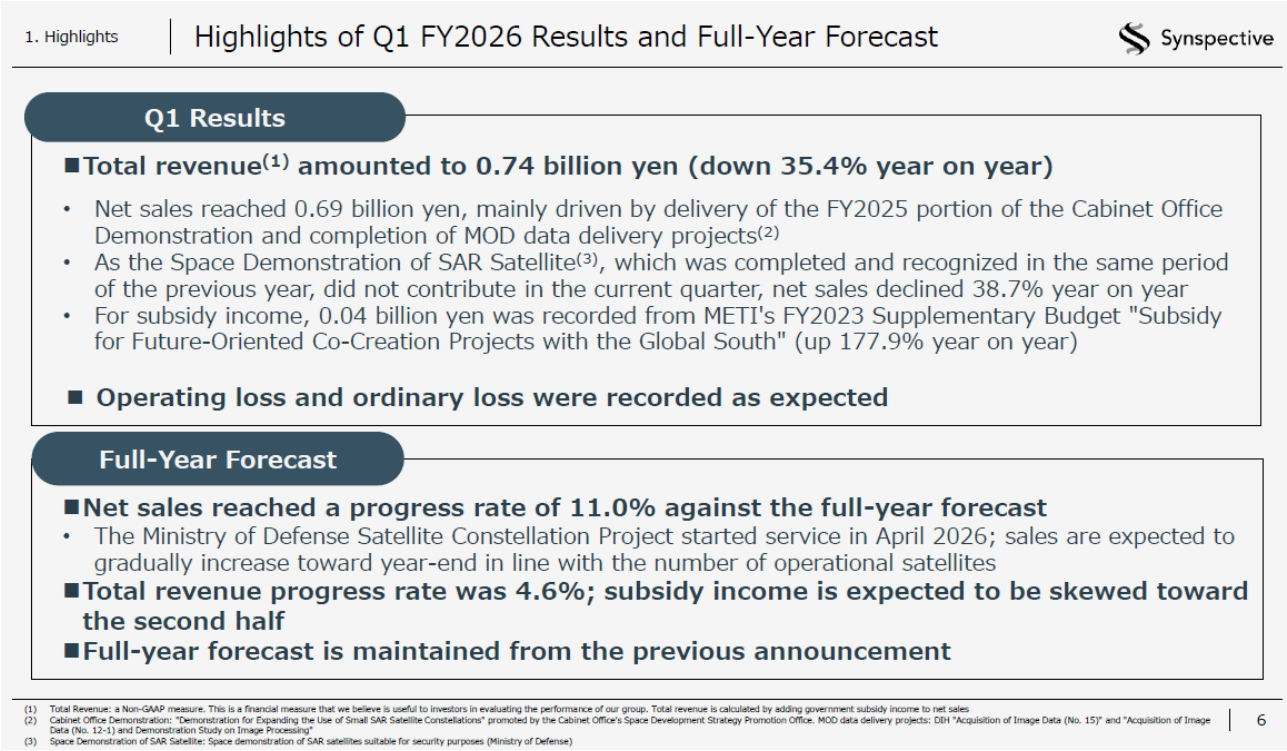
The order backlog at the end of Q1 reached ¥124.39 billion, an increase of ¥99.43 billion compared to the end of the prior fiscal year, significantly building up our pipeline. This reflects the execution in February of the Imagery Data Acquisition Service Subcontract under the Ministry of Defense's Satellite Constellation Project, with a contract value of approximately ¥96.07 billion over a five-year period. Service provision under this contract commenced in April 2026, with revenue contributions beginning in Q2.

In addition to ongoing contract wins with government agencies — including the Cabinet Office demonstration project and Ministry of Defense data deliveries — we have also secured contracts for solution services with the Ministry of the Environment and private-sector clients.

Regarding the Space Strategy Fund, in addition to the Phase 1 adoption, Phase 2 adoption was confirmed during Q1, with a planned maximum support amount of ¥3.76 billion.

On satellite development, manufacturing, and launch: the 8th StriX satellite was successfully launched in March, with the acquisition of its first images announced in May. The 9th satellite is scheduled for launch in late May.

On launch vehicles, two additional launch opportunities were secured with U.S.-based SpaceX, bringing the total to 26 secured launch slots. While news of tightening launch supply and demand has been circulating for various reasons, we believe our exposure to such risk is relatively limited.



Turning to Q1 results: total revenue was ¥0.74 billion, a decrease of 35.4% year on year.

Net sales of ¥0.69 billion were driven primarily by deliveries for FY2025 Cabinet Office demonstration projects and the completion of Ministry of Defense data delivery contracts. The year-on-year decrease reflects the absence in the current period of the SAR satellite space demonstration project for the Ministry of Defense that was recorded in the prior year period — a one-time, snapshot contract with no equivalent in the current period. As a result, net sales declined 38.7% year on year.

Subsidy income of ¥0.04 billion was recorded, representing the METI Global South Future-Oriented Co-Creation Subsidy.

Both operating loss and ordinary loss are progressing as planned.

Regarding the full-year earnings forecast: net sales progress stands at 11.0%. As noted, the Ministry of Defense Satellite Constellation Project has already commenced service in April 2026, and sales are expected to increase progressively in line with the number of operational satellites through year-end.

Total revenue progress is 4.6%. Subsidy income is expected to be weighted toward the second half of the year and will accumulate going forward. The full-year forecast is unchanged from the prior announcement. That concludes the overall summary.

2. Business Updates

Major Contracts / Projects with Domestic Ministries and Agencies, and Their Recording Periods – Pipeline

Synspective

We have continued to build a track record of contracts primarily with the domestic government; order backlog reached 124.39 billion yen(1). We anticipate reaching profitability once our operational constellation includes around 10 satellites. As the constellation expands further, we plan to boost data sales to foreign governments

Major contracts and their anticipated P/L recording periods through around 2030

: Expected recording period based on contract details and other factors

: Recording period estimated by the Company based on public information

Contract / Project Name		Accounting category	Order backlog (1)	2024	2025	2026	2027	2028	2029	2030
Contracts / Approved Projects	1. Space Demonstration of SAR Satellite(2)	Net sales	–	1.05 billion yen						
	2. FY2024 Cabinet Office Demonstration(3)	Net sales	–	1.28 billion yen						
	3. METI SBIR(4)	Subsidy income	2.64 billion		4.10 billion yen					
	4. Space Strategy Fund Phase 1(5)	Subsidy income	21.31 billion		Maximum planned support amount of 23.79 billion (through the end of March 2030), of which 16.46 billion has been confirmed by grant decision (through the end of March 2027)					
	5. FY2025 Cabinet Office Demonstration(3)	Net sales	–		1.06 billion yen					
	6. Ministry of Defense, DIH(6)	Net sales	–		0.26 billion yen					
	7. Ministry of Defense Satellite Constellation(7)	Net sales	96.07 billion			Contract value: 96.07 billion yen				
	8. Space Strategy Fund Phase 2(8)	Subsidy income	3.76 billion			Maximum support amount: 3.76 billion yen				
	9. FY2026 Cabinet Office Demonstration(3)	Net sales	0.37 billion			0.37 billion yen				
Projects expected to be acquired in the future	10. Space Strategy Fund Phase 3 onward	Subsidy income / Net sales	–			A portion of approximately 400.0 billion				
Number of operational satellites at year-end				4 units	4 units	10 units	21 units	>30 units		

(1) Order backlog as of the end of March 2026 (of the total contract value, the amount expected to be recorded as future revenue or subsidy income)
(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) "Acquisition of Image Data (No. 12-1) and Demonstration Study on Image Processing" awarded on August 8, 2025 (MOD, DIH)
(7) Development and Operation of Satellite Constellations project (Ministry of Defense). Three-party contract with the SPC Trisat Constellation, Inc. and Mitsubishi Electric Corporation. See P10-11 for details
(8) Space Strategy Fund / Advanced Observation Technology for Next-Generation Earth Observation Satellites (B): Expansion of Acquisition Scale in Existing Markets (MEXT)

8

Contracts with domestic government agencies continue to represent a large portion of our revenues. The slide shows the pipeline by expected recording period. As noted, the order backlog stands at ¥124.39 billion, with the primary contribution expected from the Ministry of Defense Satellite Constellation contract of ¥96.07 billion.

The newly won Space Strategy Fund Phase 2 has also been added to the pipeline, contributing ¥3.76 billion in expected recognition.

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2. Business Updates

Acceleration of Technology Development and Business Expansion through the Adoption of the Space Strategy Fund(1)

Synspective

Phase 1: Acceleration of Commercial Satellite Constellation Development

As funding for satellite mass production and service development, 16.46 billion yen has been confirmed by grant decision for the initial subsidy period (through the end of March 2027), with a cumulative 2.48 billion yen recorded as of the end of March 2026. The maximum planned support amount for the subsidy period (through the end of March 2030) is 23.79 billion yen(2)

■ Technology development theme: "Mass Production, Launch, and Stepwise Performance Improvement of Small SAR Satellites"(3)

- Constellation construction and mass production capacity
- Demonstration for immediate response
- Internationally competitive High-frequency interferometric SAR technology development

Expected business outcomes

✓ Establish a stable revenue base through subsidy income
✓ Deliver services early and grow sales by responding to Japanese government demand

Phase 2: Advanced Observation Technology for Next-Generation Earth Observation Satellites (B): Expansion of Acquisition Scale in Existing Markets

Maximum planned support amount of 3.76 billion yen(2) for the subsidy period (through the end of March 2032)

■ Technology development theme: "On-orbit Demonstration of High-Resolution Wide-Area Small SAR Satellites Using Frequency-Scanning SAR"(3)

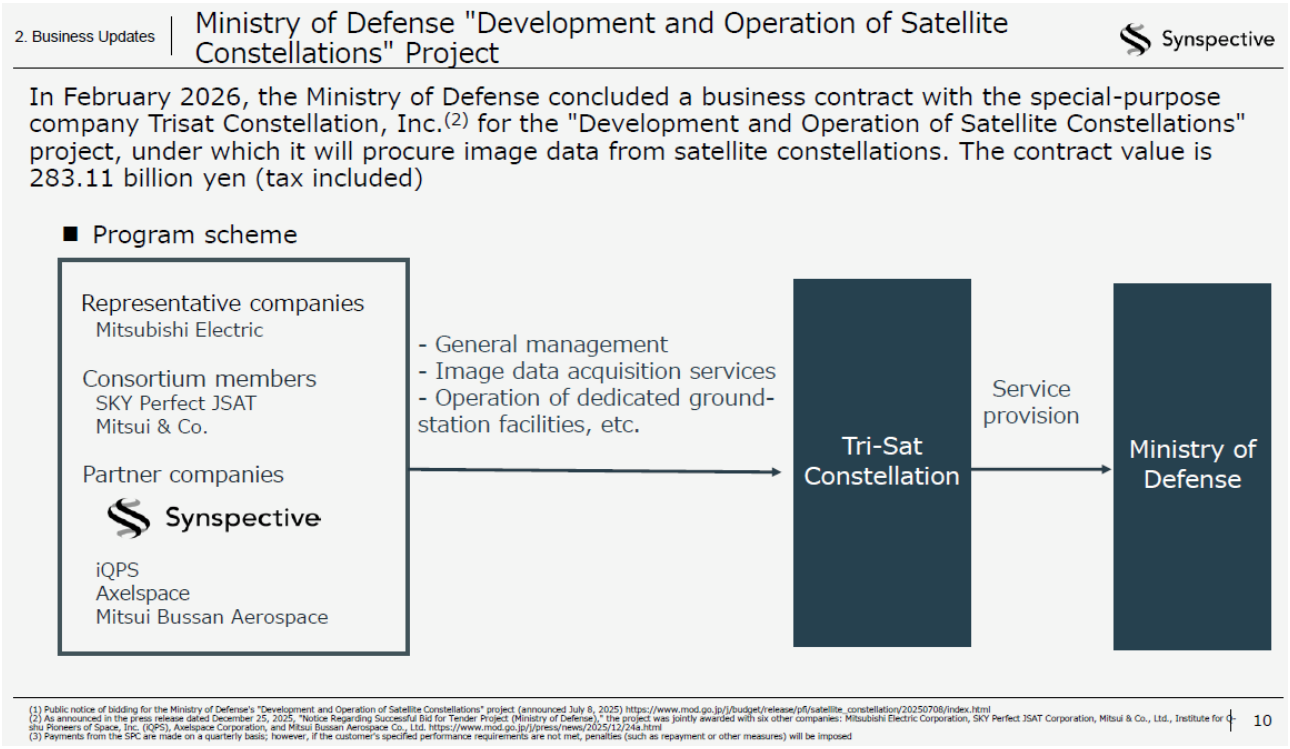
(1) The Space Strategy Fund is a fund established at JAXA (total of 1 trillion yen) as a nexus between industry, academia, and government, to support startups, private companies, universities and others in undertaking bold multi-year R&D (up to 10 years). Phase 1 (approximately 300 billion yen) was implemented in the FY2023 supplementary budget. The outline of Phase 2 (approximately 300 billion yen) has been announced in the FY2024 supplementary budget, with an additional 400 billion yen in budgeting expected going forward. https://fund.jaxa.jp/
(2) The maximum planned support amount is subject to change based on the results of the first stage-gate review scheduled during FY2026
(3) The technology development content reflects the plan at the time of proposal and may change through future stage-gate reviews. For Phase 2, details of the technology development content will be disclosed after the contract is concluded and the grant decision is made

9

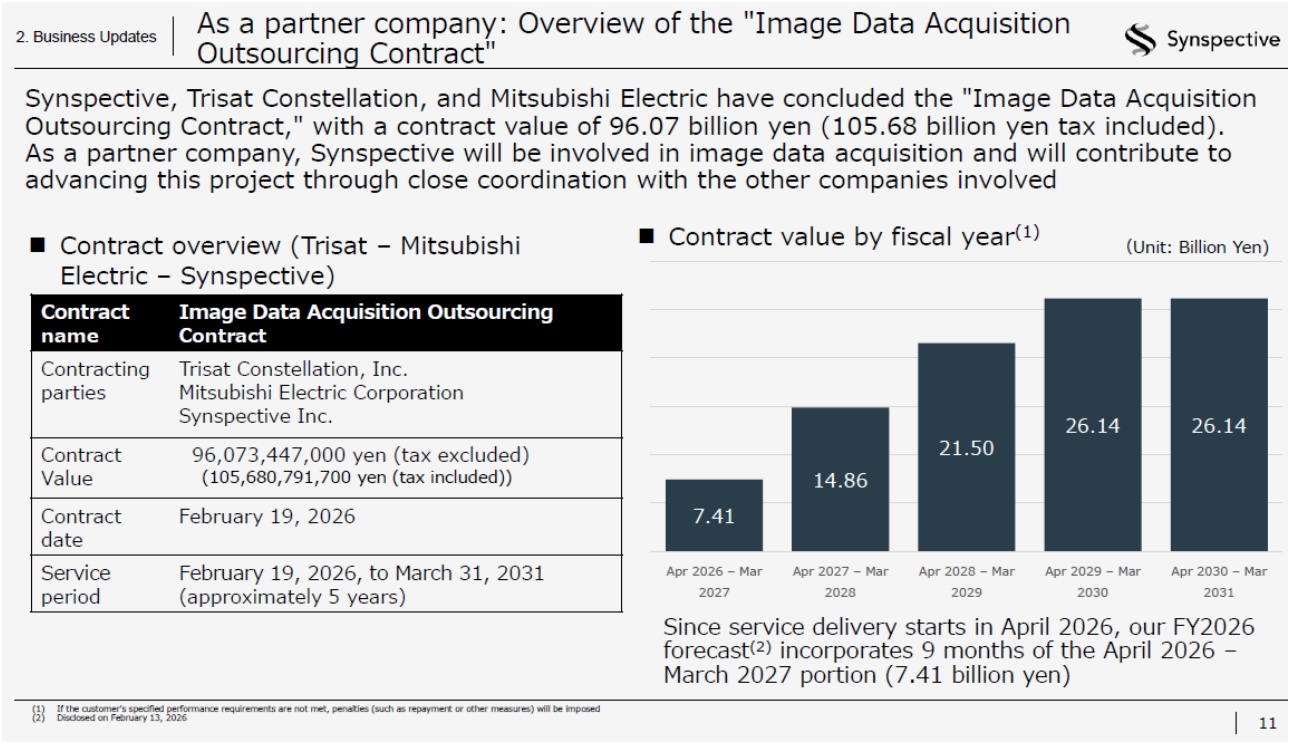
Regarding the Space Strategy Fund: Phase 1, under the theme of "Accelerating the Construction of Commercial Satellite Constellations," has already received a grant approval of ¥16.46 billion, with a cumulative ¥2.48 billion recognized as of the end of March 2026. The planned maximum support amount stands at ¥23.79 billion in total, forming the basis for our continued expansion of the satellite constellation.

The newly won Phase 2 is a demonstration project under the theme "Advanced Observation Technology for Next-Generation Earth Observation Satellites" — specifically, the development of frequency-scanning SAR technology that enables data acquisition over an exceptionally wide area. By combining the Company's proprietary antenna with a SAR system, this technology will enable wide-area data acquisition.

Given the strong demand for broad-area coverage in current security applications — particularly maritime surveillance — this technology is expected to offer a clearly differentiated wide-area observation capability compared to other operators. The project period runs through the end of March 2032.

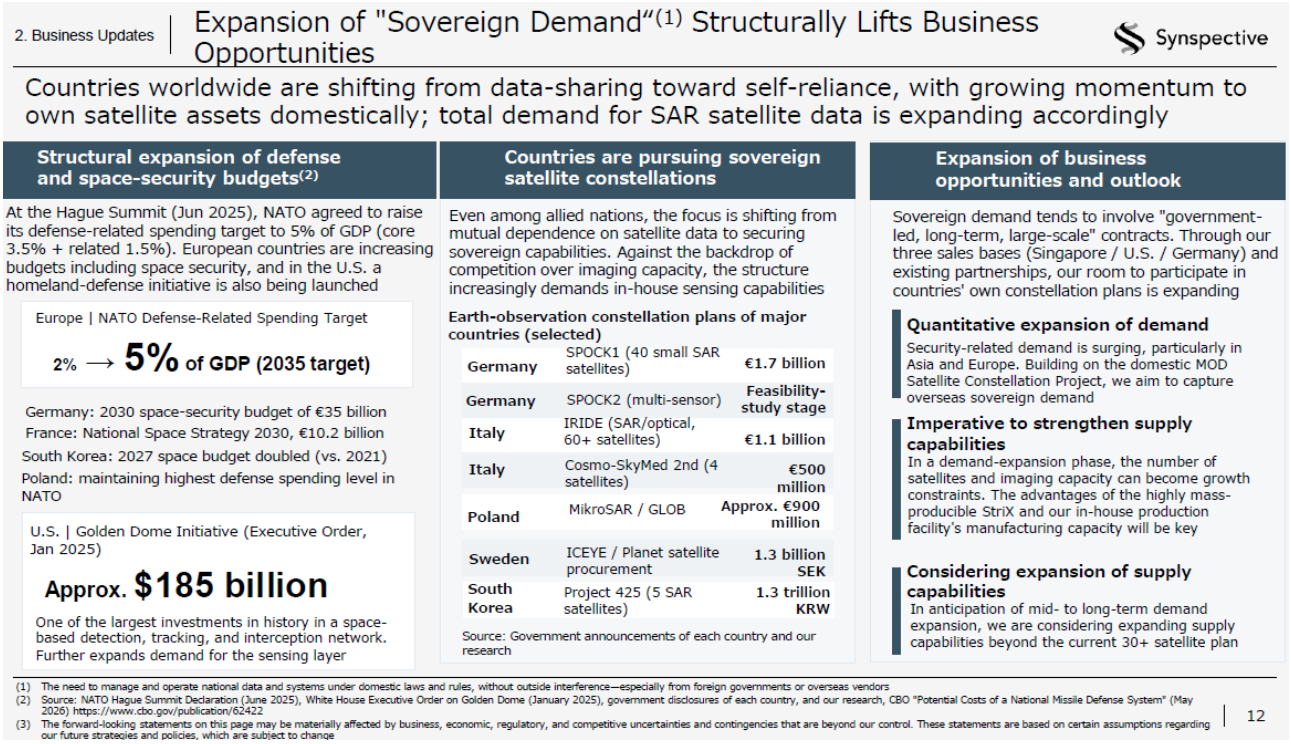


The structure of the Ministry of Defense Satellite Constellation Project ("Development and Operation of Satellite Constellations, etc.") is unchanged from what was previously presented. The project commenced in April, and project management has been proceeding smoothly.



To recap: the Imagery Data Acquisition Service Subcontract is a tripartite agreement among Synspective Inc., Tri-Sat Constellation Co., Ltd., and Mitsubishi Electric Corporation. The contract value is ¥96.07 billion (excl. tax), covering a project period through March 31, 2031 (approximately five years).

The Company's FY2026 (December) earnings forecast incorporates nine months of the April 2026 – March 2027 period (¥7.41 billion) under this contract.



Turning to developments in overseas markets, where we are currently conducting very active marketing efforts.

The key theme right now is "sovereignty." The word "sovereign" comes up very frequently in our conversations with customers in various countries. This expanding sovereign demand is acting as a powerful structural tailwind for our business.

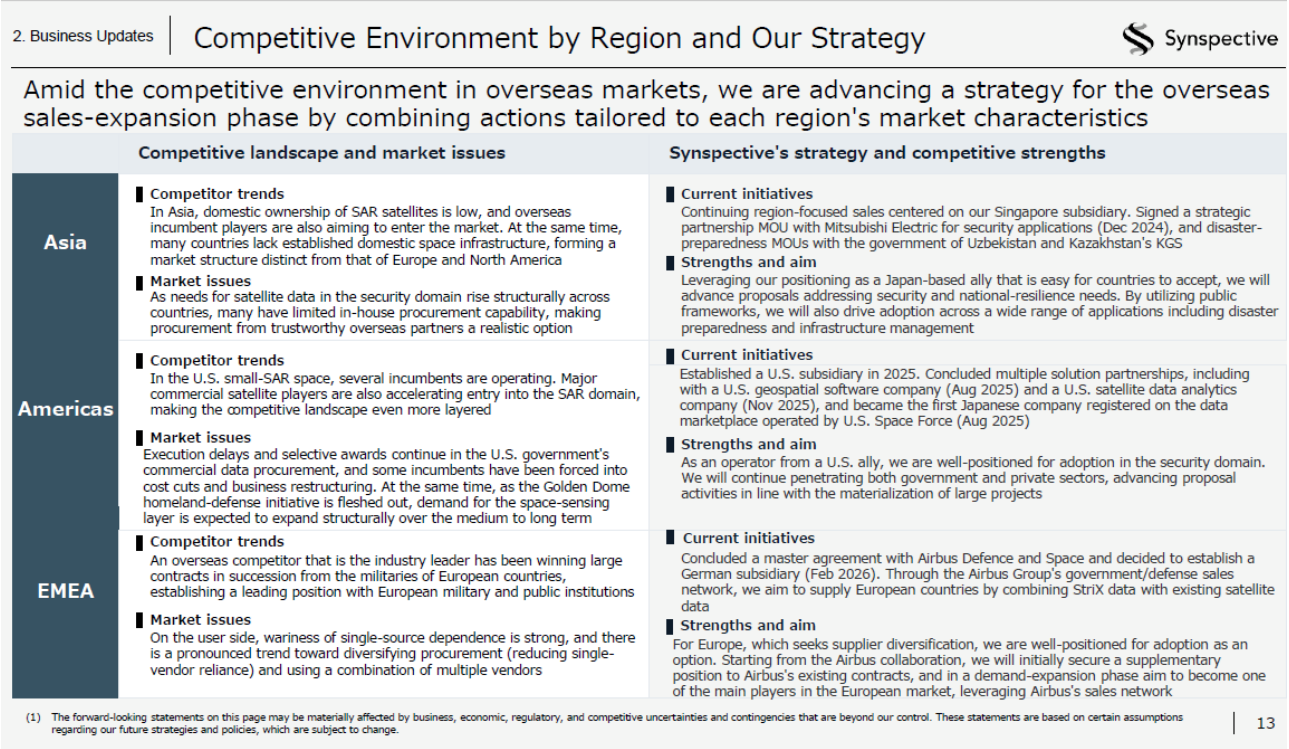
The trend is shifting from shared data models to self-reliance — nations around the world are increasingly moving toward owning satellite assets domestically, and demand for SAR satellite data has become very significant.

On the macro level, NATO member governments are augmenting their defense budgets in response to pressure from the U.S. government to increase spending to as much as 5% of GDP. This is directly contributing to demand creation, a dynamic we expect to continue to expand given the current geopolitical risk environment.

Looking at specific developments: in Europe, Germany's SPOCK1 program is a very large project totaling approximately €1.7 billion, with follow-on projects such as SPOCK2 expected. We are actively pursuing various strategies to participate in these opportunities. Italy, South Korea, and other countries are also experiencing rapidly growing demand. Our Singapore, U.S., and Germany (currently being established) offices are taking the lead in pursuing contracts.

At the same time, the number of SAR data suppliers remains persistently low relative to the growth in demand, and a demand-supply imbalance continues. Against this backdrop, strengthening our supply capacity is critical. While we are advancing toward an annual production capacity of 12 satellites per year at the Yamato Technology Center, we recognize that not just manufacturing — but also stable data delivery

from end to end — requires enhanced and expanded supply capability.



2. Business Updates | Competitive Environment by Region and Our Strategy — Synspective

Amid the competitive environment in overseas markets, we are advancing a strategy for the overseas sales-expansion phase by combining actions tailored to each region's market characteristics

	Competitive landscape and market issues	Synspective's strategy and competitive strengths
Asia	**Competitor trends** In Asia, domestic ownership of SAR satellites is low, and overseas incumbent players are also aiming to enter the market. At the same time, many countries lack established domestic space infrastructure, forming a market structure distinct from that of Europe and North America **Market issues** As needs for satellite data in the security domain rise structurally across countries, many have limited in-house procurement capability, making procurement from trustworthy overseas partners a realistic option	**Current initiatives** Continuing region-focused sales centered on our Singapore subsidiary. Signed a strategic partnership MOU with Mitsubishi Electric for security applications (Dec 2024), and disaster-preparedness MOUs with the government of Uzbekistan and Kazakhstan's KGS **Strengths and aim** Leveraging our positioning as a Japan-based ally that is easy for countries to accept, we will advance proposals addressing security and national-resilience needs. By utilizing public frameworks, we will also drive adoption across a wide range of applications including disaster preparedness and infrastructure management
Americas	**Competitor trends** In the U.S. small-SAR space, several incumbents are operating. Major commercial satellite players are also accelerating entry into the SAR domain, making the competitive landscape even more layered **Market issues** Execution delays and selective awards continue in the U.S. government's commercial data procurement, and some incumbents have been forced into cost cuts and business restructuring. At the same time, as the Golden Dome homeland-defense initiative is fleshed out, demand for the space-sensing layer is expected to expand structurally over the medium to long term	**Current initiatives** Established a U.S. subsidiary in 2025. Concluded multiple solution partnerships, including with a U.S. geospatial software company (Aug 2025) and a U.S. satellite data analytics company (Nov 2025), and became the first Japanese company registered on the data marketplace operated by U.S. Space Force (Aug 2025) **Strengths and aim** As an operator from a U.S. ally, we are well-positioned for adoption in the security domain. We will continue penetrating both government and private sectors, advancing proposal activities in line with the materialization of large projects
EMEA	**Competitor trends** An overseas competitor that is the industry leader has been winning large contracts in succession from the militaries of European countries, establishing a leading position with European military and public institutions **Market issues** On the user side, wariness of single-source dependence is strong, and there is a pronounced trend toward diversifying procurement (reducing single-vendor reliance) and using a combination of multiple vendors	**Current initiatives** Concluded a master agreement with Airbus Defence and Space and decided to establish a German subsidiary (Feb 2026). Through the Airbus Group's government/defense sales network, we aim to supply European countries by combining StriX data with existing satellite data **Strengths and aim** For Europe, which seeks supplier diversification, we are well-positioned for adoption as an option. Starting from the Airbus collaboration, we will initially secure a supplementary position to Airbus's existing contracts, and in a demand-expansion phase aim to become one of the main players in the European market, leveraging Airbus's sales network

(1) 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.

13

Asia-Pacific

The sovereignty orientation described above underpins the opportunity set. In the APAC region, including India, demand centered on security applications has become particularly strong. Our Singapore subsidiary is serving as the hub, progressing on contracts with Uzbekistan, Kazakhstan, and other Southeast Asian nations.

Japan is recognized within Asia as a country that holds a particularly stable position both in policy and industrial terms. Considering the current trade environment, the dynamics around NATO, and the domestic situation, Japan is perceived by many countries as a "reliable partner." We are leveraging this positioning to advance our business across the Asia region.

Americas

Recent news around the U.S. homeland defense concept "Golden Dome" reflects how aggressively the United States is building out its defense systems. In the security domain, we are exploring various options with our U.S. subsidiary as the hub, expanding our business through partnerships with local companies.

Europe and Middle East

With our partnership with Airbus as a foundation, we are expanding not only to Germany and France but also to other regions. The basic approach mirrors the U.S. model — anchoring on local partner alliances to pursue contracts with individual governments. This will be advanced on a bilateral basis through steady, deliberate engagement.

As in Asia and the Americas, Japan is also recognized in Europe as a country with strong technological capability and favorable positioning in the global balance of power — a "reliable partner" for various nations. We intend to capitalize on this positioning to expand our business.

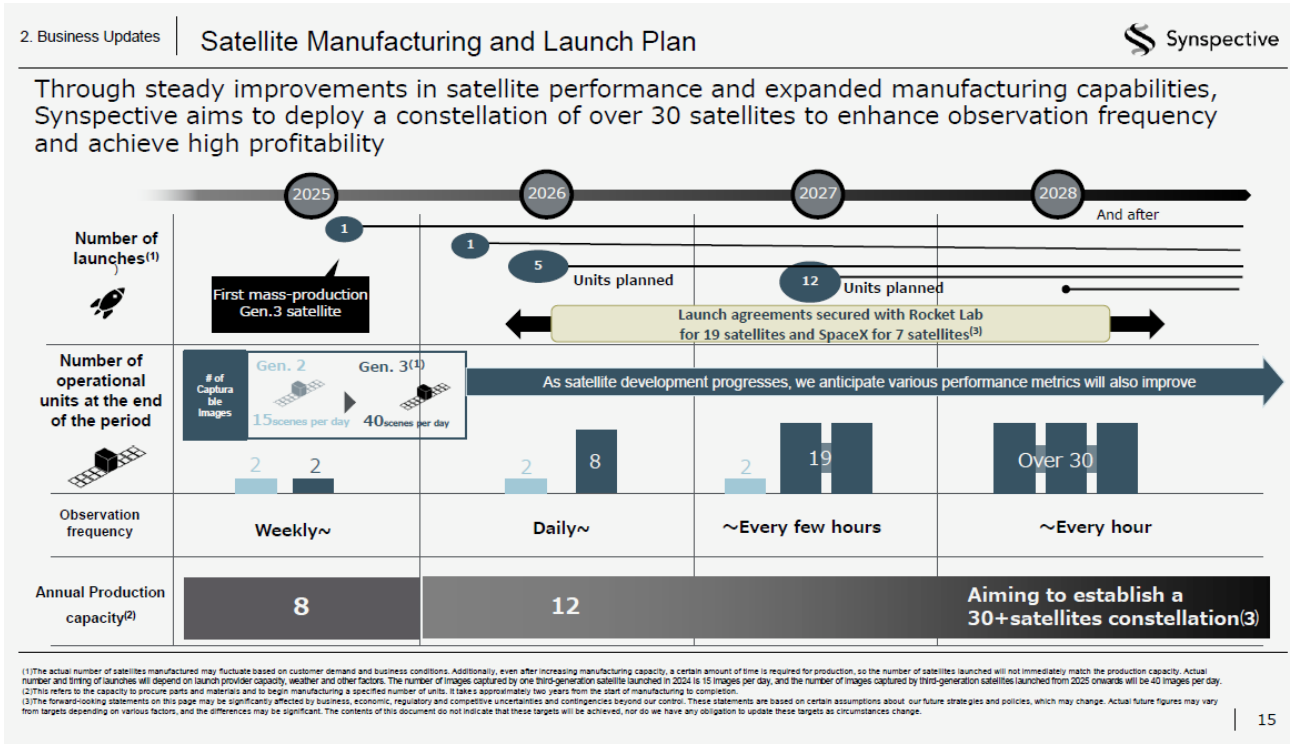


On the solutions business, we would like to highlight a new technological demonstration we have achieved.

The Company has been offering analytics that use Interferometric SAR (InSAR) analysis to detect ground displacement at the millimeter level. The new technology we are introducing is different in scale: it enables detection of displacement on the order of several meters — rather than millimeters — using our high-resolution data.

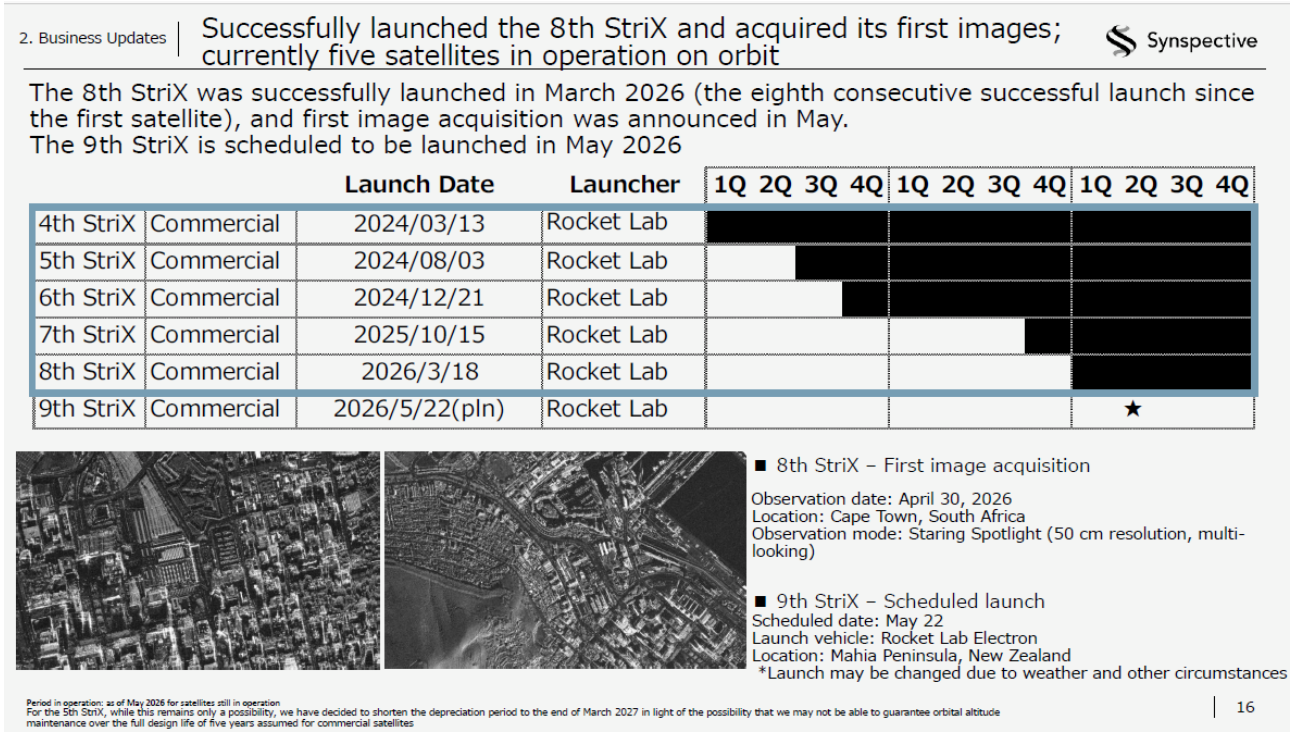
Combined with the high-frequency observation made possible by constellation development, this directly enables monitoring of large-scale oil tank movements — i.e., deployment into the resource and energy sector. It also opens up the ability to detect deformation in large infrastructure at the meter scale rather than the millimeter scale, depending on the application and use case.

Going forward, we see this becoming highly valuable analytics for advancing the solutions business in domains beyond security — including infrastructure, disaster response, and resource and energy.



The satellite manufacturing and launch plan is unchanged from the prior outlook. We are currently operating five satellites in orbit, which is expected to grow to 10 by year-end. Looking beyond this year, with the factory operating at full capacity, a system capable of launching 12 or more satellites per year is coming into view.

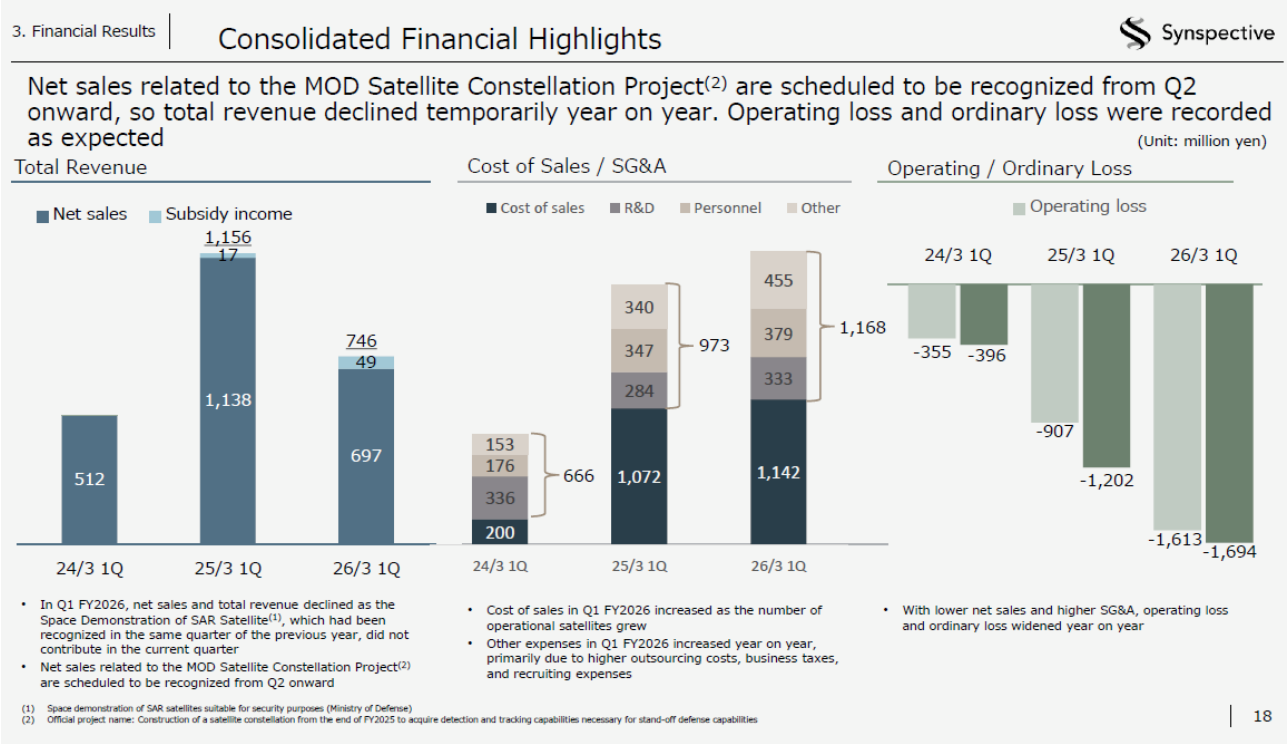
On launch vehicles, as noted at the outset, we currently have 26 secured launch opportunities: 19 with U.S.-based Rocket Lab and 7 with U.S.-based SpaceX. We assess the risk related to launch supply-demand dynamics to be low for the time being.



With five satellites in operation, these are specifically satellites No. 4 through No. 8.

For the 9th satellite, the scheduled launch date is May 22 (UTC). The launch vehicle is the Rocket Lab Electron rocket, launching from the Mahia Peninsula in New Zealand. The actual launch may be adjusted depending on weather and launch vehicle conditions, but the May 22 window is the starting point.

That concludes the business section. The CFO will now present the financial details.



Atsushi Shido (Director & CFO): I will now present the consolidated financial highlights. The charts show trends from Q1 FY2024 (ending December 2024) through the current period, Q1 FY2026, displaying total revenue, cost of sales and SG&A, and operating/ordinary loss, along with their respective components.

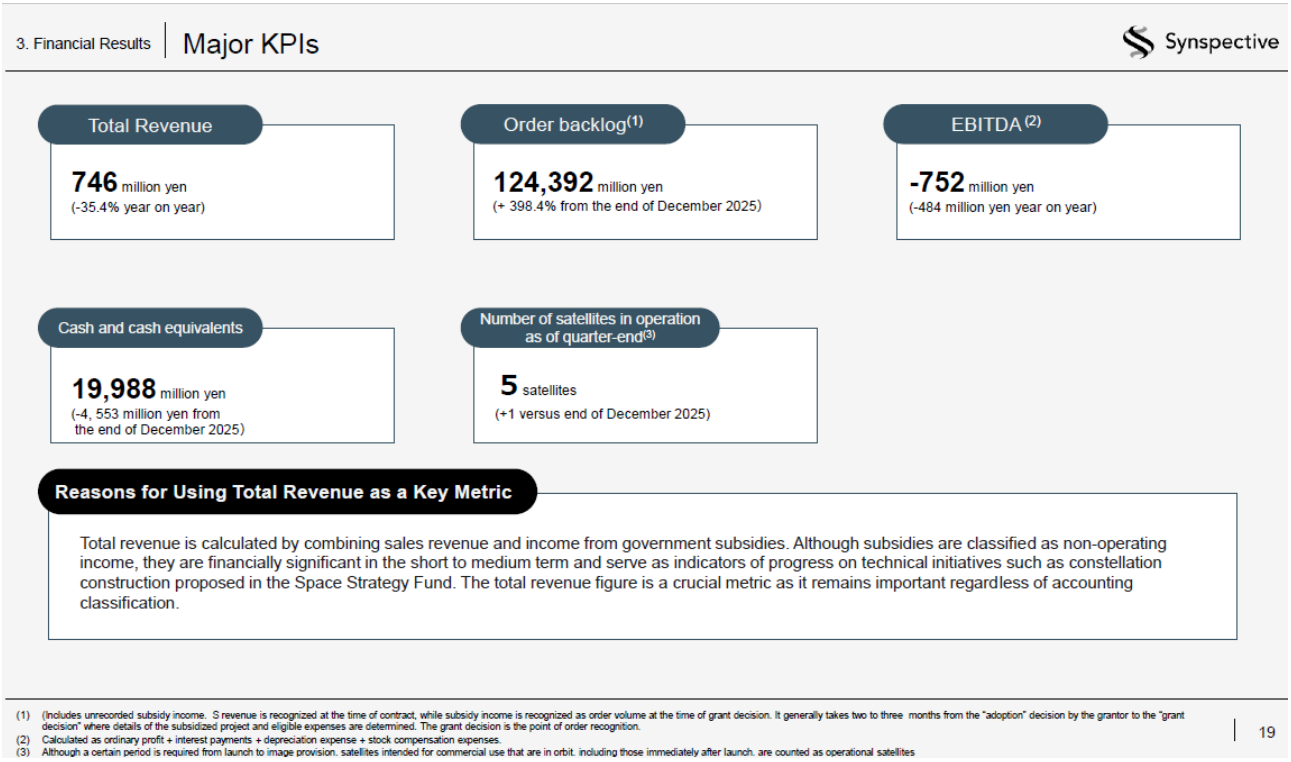
Total revenue was ¥0.74 billion, compared to approximately ¥1.16 billion in the prior year period, a year-on-year decrease of 35.4%.

The reason for the decline is clear: the primary driver is the absence in the current period of sales from the Ministry of Defense SAR satellite space demonstration project that was recorded in the prior year period.

Additionally, recognition of revenue from the Ministry of Defense Satellite Constellation Project — our primary growth driver going forward — is expected to begin from Q2, so it has not yet contributed to Q1. The temporary year-on-year decline in total revenue is entirely in line with expectations.

On the cost side: cost of sales was ¥1.14 billion, up approximately ¥0.07 billion from ¥1.07 billion in the prior year period. The breakdown of SG&A expenses was: R&D expenses ¥0.33 billion, personnel expenses ¥0.38 billion, and other ¥0.46 billion.

As a result, operating loss was △¥1.61 billion and ordinary loss was △¥1.69 billion. The loss widened year on year due to lower net sales and higher SG&A expenses, but this represents a landing in line with the annual plan and within the expected range.



First, the order backlog shown in the top center of the slide: ¥124.39 billion. This represents an increase of +398.4% compared to the end of the prior fiscal year, a very significant accumulation driven by the execution of the Ministry of Defense Satellite Constellation Project contract and others.

Next, EBITDA: △¥0.75 billion in the current period, a △¥0.48 billion change year on year. The full-year plan calls for a significant positive contribution from the Satellite Constellation Project and subsidy income. Given the capital-intensive nature of our business with its heavy depreciation burden, EBITDA is an important ongoing monitoring metric. It is calculated as ordinary income plus interest expense, depreciation, and stock-based compensation expense.

Total revenue, as noted, was ¥0.74 billion, down 35.4% year on year.

Cash and deposits: ¥19.99 billion at the end of Q1, down ¥4.55 billion from the end of the prior fiscal year, reflecting satellite manufacturing and capital investment expenditures.

The number of operational satellites at quarter-end was 5, an increase of 1 from the prior fiscal year-end.

3. Financial Results

Consolidated Statement of Income

Synspective

Revenue decreased year on year because the MOD space demonstration project recognized in the same quarter of the previous year did not contribute this quarter. Cost rose as we strengthened our organization for constellation construction

(million yen)	Q1 FY2025 (Actual)	Q1 FY2026 (Actual)	Change	Reason for change
Total Revenue	1,156	746	△409	Net sales: data sales of 0.30 billion yen (down 0.06 billion yen YoY), solutions of 0.30 billion yen (down 0.07 billion yen YoY), and other of 0.09 billion yen (down 0.30 billion yen YoY). The decrease reflects the absence of contribution from the Space Demonstration of SAR Satellite recognized in the same quarter of the previous year Subsidy income: 0.04 billion yen was recognized from the Subsidy for Future-Oriented Co-Creation Projects with the Global South
Net sales	1,138	697	△441	
Cost of sales	1,072	1,142	69	Lower depreciation on the 4th–8th StriX: 0.52 billion yen this quarter (down 0.08 billion yen YoY). The prior year's figure was temporarily higher as a portion was depreciated early within the contract period of a research commission Higher satellite-operation related costs: 0.25 billion yen this quarter (up 0.11 billion yen YoY), including a 0.09 billion yen increase for initial response to major projects and a 0.02 billion yen increase from reclassifying certain items from SG&A. Higher solutions-related costs: 0.36 billion yen this quarter (up 0.03 billion yen YoY)
SG&A	973	1,168	195	-
Personnel expenses	347	379	31	0.02 billion yen increase in directors' remuneration at subsidiaries, in connection with the establishment of the U.S. company and similar matters
R&D expenses	284	333	48	Mainly increased due to R&D on next-generation satellites
Other	340	455	114	0.03 billion yen increase in outsourcing costs due to expansion of the sales structure, 0.02 billion yen increase in business taxes, 0.01 billion yen increase in recruiting costs from headcount growth, 0.01 billion yen increase in travel expenses from accelerated overseas expansion, 0.01 billion yen increase in equipment depreciation, and 0.01 billion yen increase in system usage fees
Operating loss	△907	△1,613	△706	-
Non-operating income	24	78	53	Mainly due to recognition of 0.04 billion yen of subsidy income
Non-operating expenses	320	159	△160	Previous year: 0.20 billion yen in loan-arrangement fees and 0.09 billion yen in interest expense Current quarter: 0.14 billion yen in interest expense
Ordinary loss	△1,202	△1,694	△491	-
Extraordinary gains / losses	15	△1	△17	-
Income taxes	1	35	33	Income tax adjustment of −0.03 billion yen (loss) due to re-evaluation of deferred tax assets recognized at the end of the previous fiscal year
Net loss attributable to owners of the parent	△1,188	△1,731	△542	-

The following compares the consolidated income statement against the prior year period.

Total revenue was ¥0.74 billion, down ¥0.41 billion from ¥1.16 billion in the prior year period. The breakdown of net sales: data sales ¥0.30 billion (down ¥0.06 billion YoY), solutions ¥0.30 billion (down ¥0.07 billion YoY), and other ¥0.09 billion (down ¥0.30 billion YoY). Subsidy income of ¥0.04 billion was newly recorded under the METI Global South Future-Oriented Co-Creation Subsidy.

Cost of sales was ¥1.14 billion, up ¥0.07 billion year on year. Depreciation was ¥0.52 billion in the current period, down ¥0.08 billion YoY — reflecting the reversal of a prior-period spike when a portion was accelerated for early amortization within the term of a research contract. By contrast, satellite operating costs were ¥0.25 billion (up ¥0.11 billion YoY), and costs attributable to solutions were ¥0.36 billion (up ¥0.03 billion YoY), representing the primary drivers of cost increases. The increase in satellite operating costs reflects a ¥0.09 billion increase from the growth in operational satellite count and initial handling costs for the key project, plus a ¥0.02 billion reclassification from SG&A.

SG&A expenses were ¥1.17 billion, up ¥0.20 billion year on year.

Personnel expenses: ¥0.38 billion (up ¥0.03 billion YoY), primarily due to ¥0.02 billion from the addition of U.S. subsidiary personnel upon its establishment.

R&D expenses: ¥0.33 billion (up ¥0.05 billion YoY), primarily for next-generation satellite R&D.

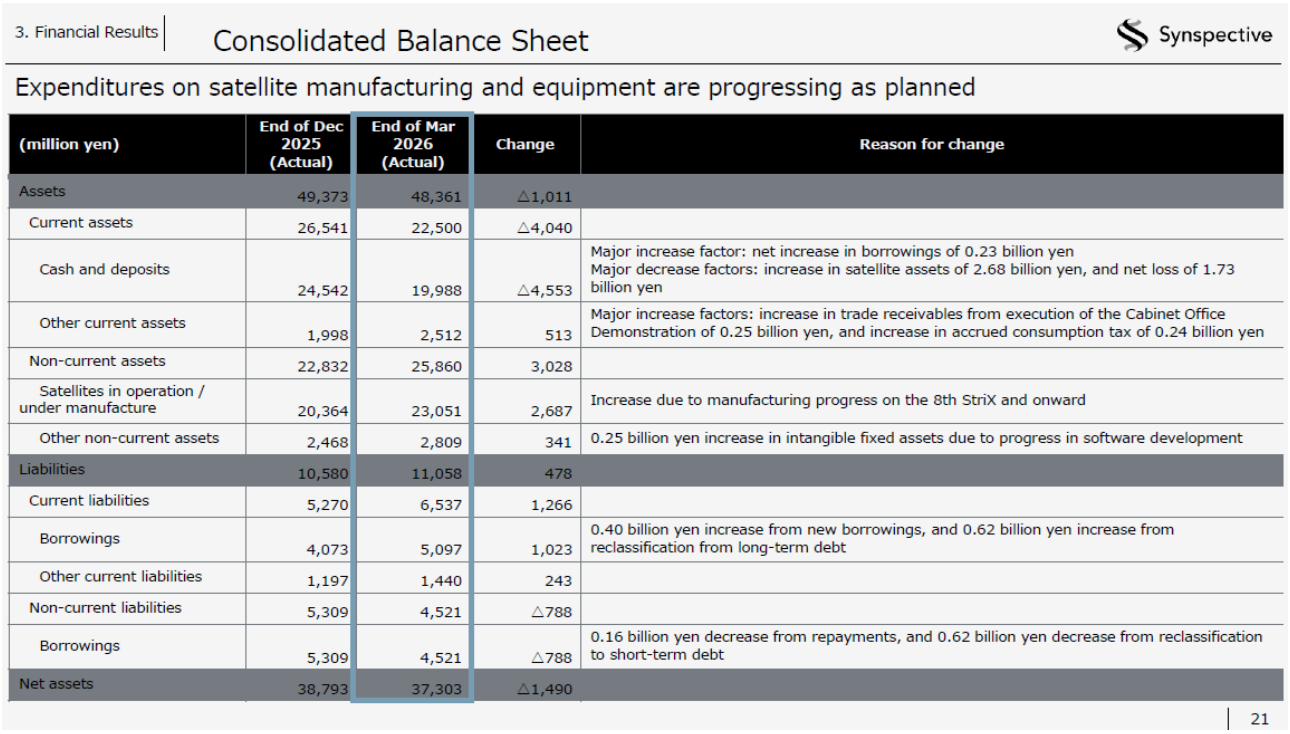
Other: ¥0.46 billion (up ¥0.11 billion YoY), reflecting increases of ¥0.03 billion in outsourcing costs from sales structure expansion, ¥0.02 billion in business taxes, ¥0.01 billion in recruiting costs from headcount growth, ¥0.01 billion in travel expenses from accelerated overseas expansion, ¥0.01 billion in equipment depreciation, and ¥0.01 billion in system usage fees.

As a result, operating loss was △¥1.61 billion, widening by △¥0.71 billion year on year.

Non-operating income was ¥0.08 billion, primarily from the ¥0.04 billion subsidy income. Non-operating expenses were ¥0.16 billion, an improvement of △¥0.16 billion year on year. This is because the prior period included ¥0.20 billion in loan arrangement fees and ¥0.09 billion in interest expense, whereas the current period includes only ¥0.14 billion in interest expense.

Ordinary loss was △¥1.69 billion. Extraordinary items were △¥0.00 billion. Income taxes were ¥0.04 billion, including a ¥0.03 billion deferred tax loss from the reassessment of deferred tax assets recognized at the prior fiscal year-end.

The net loss attributable to owners of the parent for the quarter was △¥1.73 billion.



3. Financial Results | Consolidated Balance Sheet

Synspective

Expenditures on satellite manufacturing and equipment are progressing as planned

(million yen)	End of Dec 2025 (Actual)	End of Mar 2026 (Actual)	Change	Reason for change
Assets	49,373	48,361	△1,011	
Current assets	26,541	22,500	△4,040	
Cash and deposits	24,542	19,988	△4,553	Major increase factor: net increase in borrowings of 0.23 billion yen Major decrease factors: increase in satellite assets of 2.68 billion yen, and net loss of 1.73 billion yen
Other current assets	1,998	2,512	513	Major increase factors: increase in trade receivables from execution of the Cabinet Office Demonstration of 0.25 billion yen, and increase in accrued consumption tax of 0.24 billion yen
Non-current assets	22,832	25,860	3,028	
Satellites in operation / under manufacture	20,364	23,051	2,687	Increase due to manufacturing progress on the 8th StriX and onward
Other non-current assets	2,468	2,809	341	0.25 billion yen increase in intangible fixed assets due to progress in software development
Liabilities	10,580	11,058	478	
Current liabilities	5,270	6,537	1,266	
Borrowings	4,073	5,097	1,023	0.40 billion yen increase from new borrowings, and 0.62 billion yen increase from reclassification from long-term debt
Other current liabilities	1,197	1,440	243	
Non-current liabilities	5,309	4,521	△788	
Borrowings	5,309	4,521	△788	0.16 billion yen decrease from repayments, and 0.62 billion yen decrease from reclassification to short-term debt
Net assets	38,793	37,303	△1,490	

21

In summary: satellite manufacturing and capital investment expenditures are progressing as planned.

Total assets declined from ¥49.37 billion at the end of December 2025 to ¥48.36 billion at the end of March 2026, a decrease of △¥1.01 billion.

Current assets decreased by △¥4.04 billion, of which cash and deposits declined from ¥24.54 billion to ¥19.99 billion (△¥4.55 billion). The primary factors in the decrease include satellite asset additions of ¥2.68 billion and the quarterly net loss of ¥1.73 billion.

Non-current assets increased from ¥22.83 billion to ¥25.86 billion (+¥3.03 billion). Satellite assets increased from ¥20.36 billion to ¥23.05 billion (+¥2.68 billion), reflecting manufacturing progress on the 8th satellite and beyond.

Overall, cash outflows for satellite manufacturing and capital investment are progressing steadily in line with our full-year plan.

4. Full-Year Forecast

FY2026 Full-Year Consolidated Forecast

Synspective

- Progress rate for net sales is 11%, and for total revenue is 4.6% (both sales and subsidy income are expected to be skewed toward the end of the fiscal year)
- Forecast unchanged from the previous announcement. Recent results from public-sector projects and subsidy income have been recognized as expected
- Regarding the impact of the recent Middle East situation on our performance, there is currently no direct impact on manufacturing or launches, and we expect that issues such as cost increases or logistics constraints can be managed based on past experience

(Million yen)	FY2025 Actual (A)	FY2026 Forecast (B)	YoY change (B−A)	% change	Q1 Actual	Progress rate (%)
Total Revenue	6,140	16,052	9,911	161.4%	746	4.6%
Net sales	2,376	6,353	3,976	167.3%	697	11.0%
Operating income	△4,137	△5,467	△1,329	-	△1,613	-
Ordinary income	△1,074	3,010	4,084	-	△1,694	-
Net income attributable to owners of the parent	△371	2,624	2,995	-	△1,731	-
EBITDA(2)	1,706	8,399	6,692	392.1%	△752	-
Operational satellites at year-end	4 units	10 units	6 units	-	5 satellites	

(1) Official project name: Construction of a satellite constellation from the end of FY2025 to acquire detection and tracking capabilities necessary for stand-off defense capabilities
(2) Calculated as ordinary income + interest expense + depreciation expense + 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

In conclusion: the earnings forecast published on February 13, 2026 is unchanged. Current progress shows government agency contracts and subsidy income accruing as expected, with the trajectory expected to build through the second half of the fiscal year.

On a Q1 actual basis, net sales progress is 11.0% and total revenue is 4.6%. Both net sales and subsidy income are expected to be weighted toward the end of the fiscal year. At this stage, we have no concerns regarding the annual plan.

4. Full-Year Forecast

Assumptions for the FY2026 Consolidated Forecast

Synspective

	Previous assumptions	Progress and changes in assumptions since the previous announcement
Net sales	• Following the award of the MOD "Satellite Constellations" project, etc., ~94% of net sales is expected from government agencies, of which ~87% is already awarded/contracted. The project factors in a certain penalty risk • Overseas and private-sector sales are projected from the previous year's results and the pipeline at forecast time	• Following the MOD "Satellite Constellations" award, etc., ~92% of net sales is now expected from domestic/overseas governments, of which ~95% (87% of total) is already awarded/contracted. Penalty risk factored in
Subsidy income(1)	• Current FY recognition is estimated from already approved/granted programs (METI SBIR, Space Strategy Fund, and two others). No new subsidy projects factored in	• Phase 2 of the Space Strategy Fund (not in initial forecast) was awarded (max support 3.76 billion yen). Impact on current FY to be assessed after grant decision
Cost of sales	• Some costs are fixed regardless of satellite count, but expenses generally scale with operational satellites. Satellite depreciation is the largest component; manufacturing and launch costs are depreciated straight-line over 5 years from operations start • We have shortened the remaining useful life of the 5th StriX. Depreciation of 0.60 billion yen will be recorded in FY2026 and 0.15 billion yen in FY2027 • As the MOD "Satellite Constellations" project starts in April 2026, gross profit is expected to improve thereafter	• No change in assumptions
SG&A	(Personnel expenses) • Expected to rise mainly from added headcount for satellite development / mass production and overseas sales (~60–70 employees YoY consolidated), and the issuance of the 6th and 7th series of share acquisition rights (R&D expenses) • As described on the next page, expected to rise ~70% YoY, mainly due to next-generation satellite development and related activities (Other) • Expecting approximately 0.3 billion yen of sales commissions	• No change in assumptions

(1) Subsidy income is assumed to be recognized at the time of receipt of the estimated payment as stipulated in Article 38 of the Space Strategy Fund Project Subsidy Handling Guidelines
(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

On net sales: approximately 94% of current-year net sales is expected to come from domestic and overseas government agencies, primarily driven by the Ministry of Defense Satellite Constellation Project, approximately 93% of which has already been awarded or contracted. Penalty risk associated with the

constellation project is incorporated into the forecast assumptions to a certain degree. Sales to overseas and commercial customers are projected based on prior-year results and the pipeline as of the time the forecast was prepared. These assumptions are unchanged.

On subsidy income: at the time of the original forecast, the expected recognition amount for the current fiscal year was estimated from programs already adopted or grant-decided — METI SBIR, the Space Strategy Fund, and two other projects — with no new subsidy projects incorporated into the forecast. Subsequently, the Space Strategy Fund Phase 2 adoption was newly confirmed, with a planned maximum support amount of ¥3.76 billion. The impact on current-year financial results will be assessed following the grant decision; for the time being, the earnings forecast itself is unchanged.

That concludes the financial section.

Q&A

Ministry of Defense Satellite Constellation Project — Progress

Q: The Ministry of Defense Satellite Constellation Project commenced in April. Could you provide an update on its status?

Arai: The Ministry of Defense Satellite Constellation Project has been launching smoothly since April, with data delivery from the Company already underway. Service is being provided to the Ministry of Defense through Tri-Sat Constellation Co., Ltd. (the SPC), with the Company responsible for image data acquisition as a cooperating company. I would ask you to understand that the basic framework is running smoothly.

Medium- to Long-Term Outlook for the Government Pipeline

Q: Under future prospective projects in the government pipeline (p.8), only the Space Strategy Fund now remains. What is the medium- to long-term outlook for the Ministry of Defense and other government activities going forward?

Arai: Regarding medium- to long-term Ministry of Defense-related developments, it is expected that the defense white paper currently being compiled by the government, and the next five-year defense plan, will include references to satellite constellations.

Specifically, we expect that topics such as "how to sustain the satellite constellation infrastructure currently being built," and "how to expand its functions and scale," will begin to be debated on the policy agenda.

However, as these are still some way off at this point, our stance is to diligently execute the current contract and Space Strategy Fund Phase 1 and Phase 2 while preparing to engage meaningfully in those subsequent discussions when they arise.

Overseas Business Progress

Q: Please provide an update on overseas business progress. Could you also comment on the status of the German subsidiary establishment and U.S. contract developments?

Arai: As mentioned in the main presentation, overseas business is progressing in each region through local partnerships. While there are some items where we are not yet in a position to disclose company names or project specifics, we expect to be able to make positive announcements in various forms going forward.

On Germany: we have decided to establish an EMEA-based subsidiary and the incorporation process is currently underway. On the U.S.: we are advancing multiple initiatives in parallel, anchored by Synspective USA — which is already established — through local partnerships. Specific project announcements will be

made through timely disclosure as they are finalized.

Overseas Sovereign Demand — Inquiries and Timeline

Q: The earnings presentation mentioned overseas sovereign demand for the first time. How strong is the interest from individual countries? What is the timeline? And how much market share do you believe Synspective can capture?

Arai: Given the current environment, with wars and geopolitical risk materializing in various regions, inquiries related to sovereign demand are extremely strong.

In terms of timeline, our strong sense is that there are many customers who want to use our services right away. At the same time, our supply capacity has certain constraints at this point, so the first stage will be: solidly build the business foundation through the current Ministry of Defense contract, and then, as satellite count increases, generate data that can be shared with individual countries.

Beyond that, we are hearing very strong voices from countries wanting to build out their own satellite systems, wanting a dedicated and exclusive capacity, or even wanting to own their own satellites outright. We expect to respond to these needs over the medium term.

For now, the plan is to increase satellite count steadily through roughly 2028–2029 under the Ministry of Defense contract, and we are actively considering how to accelerate or advance the timing of that expansion. Fundamentally, it is after that point that we would provide data, satellite systems, and analytics in combination to address the incremental sovereign demand.

We are not yet in a position to provide a quantitative market share forecast, but given the strength of demand, we recognize that the pace at which we expand our supply capacity will directly determine the pace at which we capture market share.

Factory Capacity Expansion — Purpose, Timing, Investment Level, and Impact on Operating Profitability

Q: You mentioned plans to expand factory capacity. What is the purpose, when do you expect this to begin, and at what scale (approximate additional investment amount)? Also, will the timeline for achieving operating profitability be pushed back?

Arai: The purpose, as I have discussed, is straightforwardly to be able to meet the growing demand we are seeing in each country.

Given the Ministry of Defense contract first, and then anticipated sovereign demand from individual countries, we believe it will be necessary to begin planning for further increases in manufacturing capacity from around 2027–2028. We are not yet in a position to disclose a specific additional investment amount.

On whether the timeline for achieving operating profitability would be pushed back: to speak frankly, given the very significant demand environment, our fundamental view is that we do not want to hesitate on investment here, as doing so would represent a missed opportunity. We intend to invest actively to expand our capacity and capabilities in line with the pace of market growth. While we will continue to refrain from citing a specific timeline for operating profitability, the investments we are making are positioned as proactive investments to pursue larger revenue opportunities, and over the medium to long term, we believe they will translate into greater business growth. That is the rationale for the upfront investment.

Impact of Wars on Launch Opportunities, Manufacturing, and Operations

Q: Please comment on the impact of wars on launch opportunities, manufacturing, and operations.

Arai: In conclusion, there is no direct impact on launch opportunities or manufacturing itself.

Looking at the overall business impact, we feel the positive side is larger. The expansion of sovereign demand described earlier is creating a structural tailwind on the demand side.

On the negative side, potential impacts include rising energy costs, transportation disruptions, and some supply chain routes becoming unavailable. However, similar experiences in contexts unrelated to this war — including the COVID-19 pandemic and other recent disruptions — have accumulated, and our supply chain resilience has improved considerably.

At present, beyond energy costs, we are not experiencing any particularly significant negative impacts, and overall, we view the positive impact from demand expansion as the larger factor.