AXELSPACE

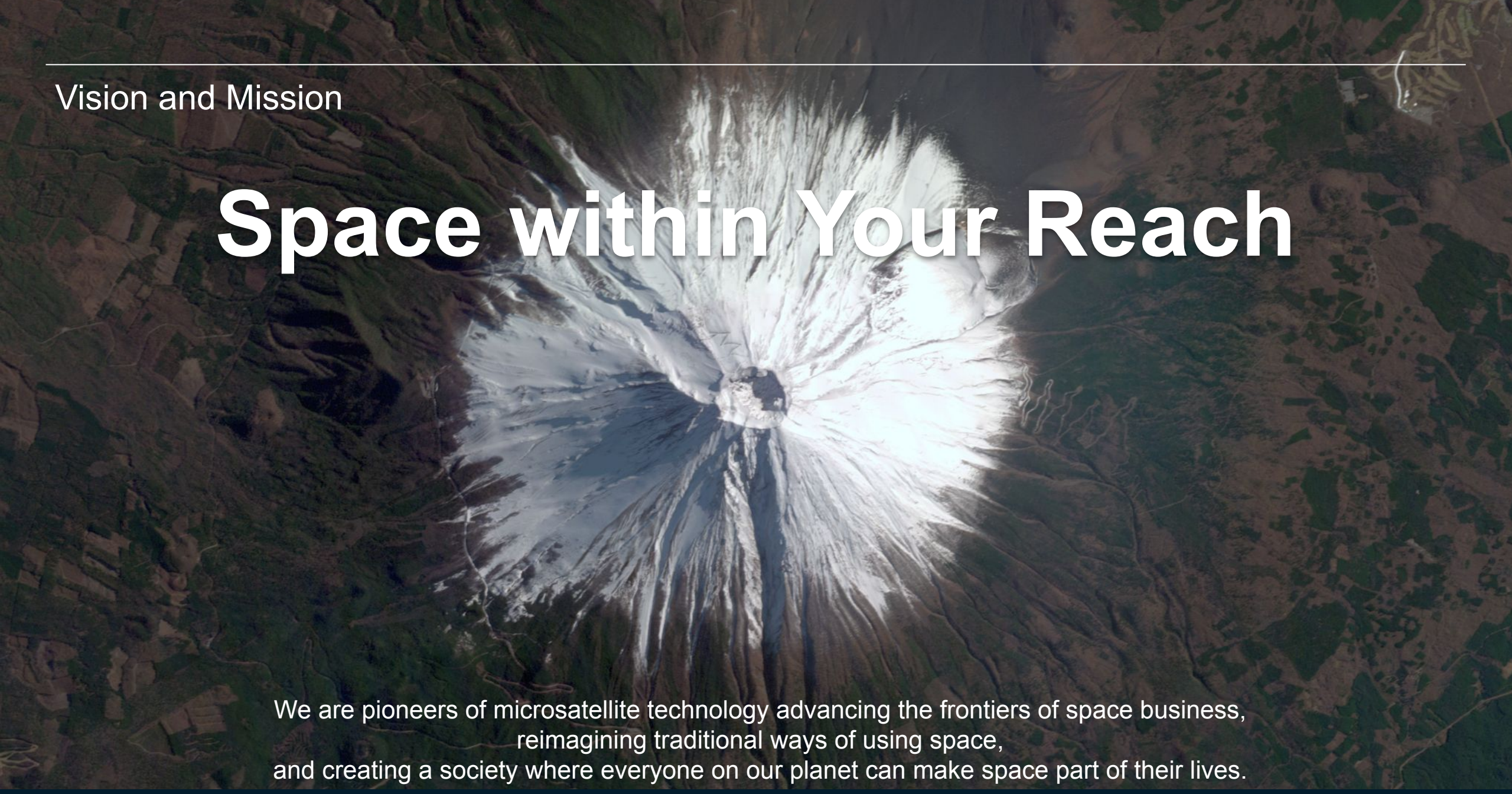
Consolidated Financial Summary for Third Quarter of the Fiscal Year Ending May 2026

Axelspace Holdings Corporation

Tokyo Stock Exchange Growth Market (Securities Code: 402A)

April 14, 2026

This document has been translated from the Japanese original for reference purposes only.
In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.



Space within Your Reach

We are pioneers of microsatellite technology advancing the frontiers of space business,
reimagining traditional ways of using space,
and creating a society where everyone on our planet can make space part of their lives.

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Business Overview and Business Progress

Note:

Unless otherwise specified in this material, the following applies.

“the Company”: Refers to Axelspace Holdings Corporation.

"Third Quarter" "Q3": Refers to the period from June 1 of each year to the end of February of the following year.

“Full Year": Refers to the 12-month period from June 1 of each year to May 31 of the following year.

Exchange rate assumptions for business plan and consolidated financial forecast: 1 USD = 150 yen, 1EUR = 160 yen.

Since the rate of change is calculated in yen, there may be differences when calculated based on the displayed amounts (in units of million yen).

Highlights: Q3 of FY Ending May 2026

Financial Results

- Order backlog increased 591.4% year-on-year to 54,835 million yen.
- Revenue was 967 million yen, a decrease year-on-year due to the impact of the manufacturing plan for government projects.

R&D / Manufacturing

- Manufacturing and development of “GRUS-3” scheduled for launch in FY Ending May 2027 is progressing as expected.
- Development of high-resolution satellites scheduled for launch in FY Ending May 2028 is progressing.

Business *1

- Conclusion of a contract with Japan’s Ministry of Defense (JMOD) for the “Satellite Constellation Project.”
- Three projects were selected for the second phase of the Space Strategy Fund.

Finance & Accounting

- Cash and cash equivalents balance is 8,677 million yen.
- In line with the manufacturing progress of "GRUS-3," construction in progress of 1,369 million yen was recorded by the end of Q3.

Key Indicators

Total Revenue	Order Backlog	EBITDA *2	Cash and Cash Equivalents
1,454 million yen	54,835 million yen	-3,191 million yen	8,677 million yen

*1: Includes content announced from the end of the Q3 of FY Ending May 2026 (February 28, 2026) to the announcement date (April 14, 2026).
*2: EBITDA is calculated from profit before tax, interest expense, depreciation, and amortization of intangible assets.

Business Overview

Developing two businesses centered on microsatellite development and manufacturing technology cultivated since the company's founding.

Microsatellite Technology (Development & Manufacturing)



AxelLiner

(Service started: 2022~)

Provides Customers' Satellite Projects from Development to In-orbit Operations.

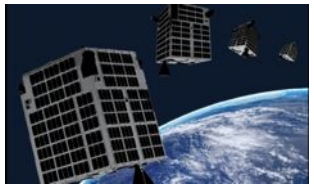
Service provision scope to customers

Development	Manufacturing	Launch	Mission (Earth observation, etc.)	Operations	Data acquisition and analysis

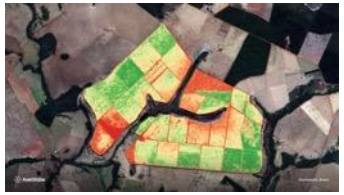












AxelGlobe

(Service started: 2019~)

Provides Satellite Imagery and Related Services with Our Operating Satellites

Note: Images represent the concept of each process.

AxelLiner Business Performance

Provides development, manufacturing, launch arrangement, and in-orbit operation of microsatellite projects for customers. Current customers are primarily domestic government agencies.

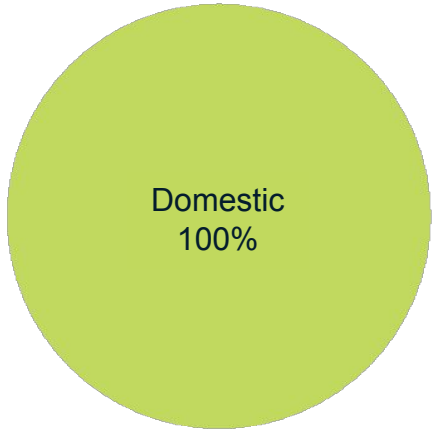
Revenue
(Full year)

(Unit: million yen)

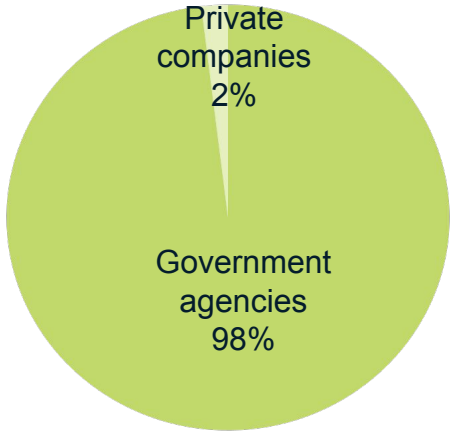


Major Customers of AxelLiner Business
(Q3 Ending May 2026)

By Region



By Customer



*1: For FY Ended May 2022, Axelspace has not received audit certification under Article 193-2, Paragraph 1 of the Financial Instruments and Exchange Act or equivalent.
Source: Company websites and public materials. This page contains forward-looking information. Please refer to page 64 for assumptions, limitations, constraints, and risks regarding forward-looking information.

Technology Developed Through the “K Program”

By acquiring optical communication technology, Axelspace aims to realize satellite constellation operations with fewer satellites and minimal data transmission time lag.

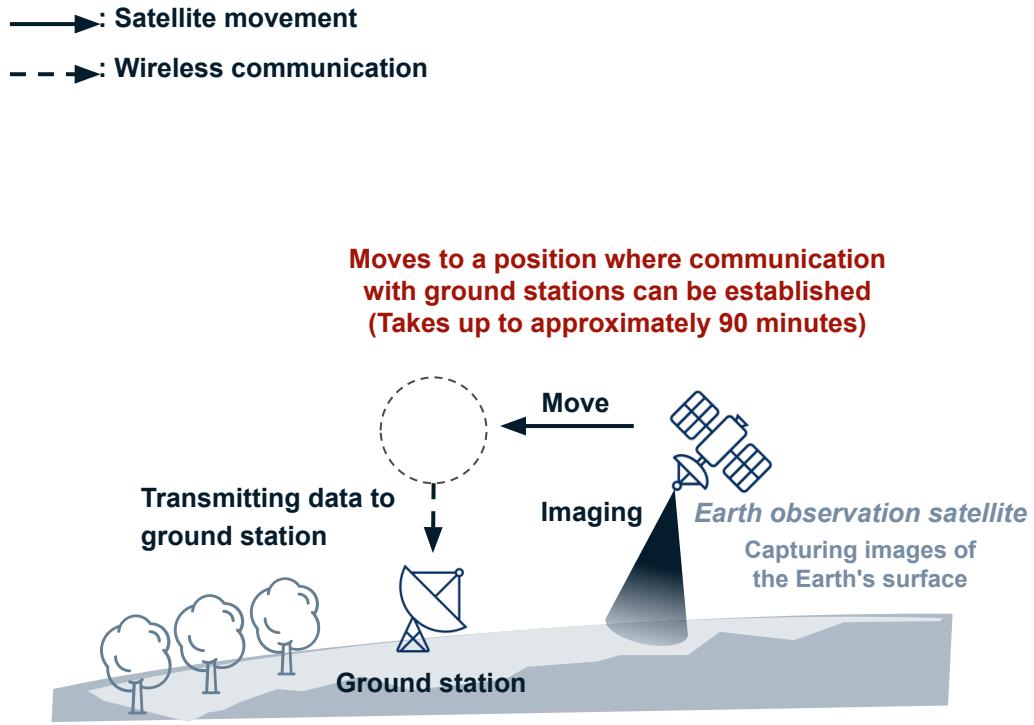
Background

Advances in satellite technology have enabled the provision of high-quality satellite imagery at lower costs. The exchange of vast amounts of imaging data is essential to meet growing demand.

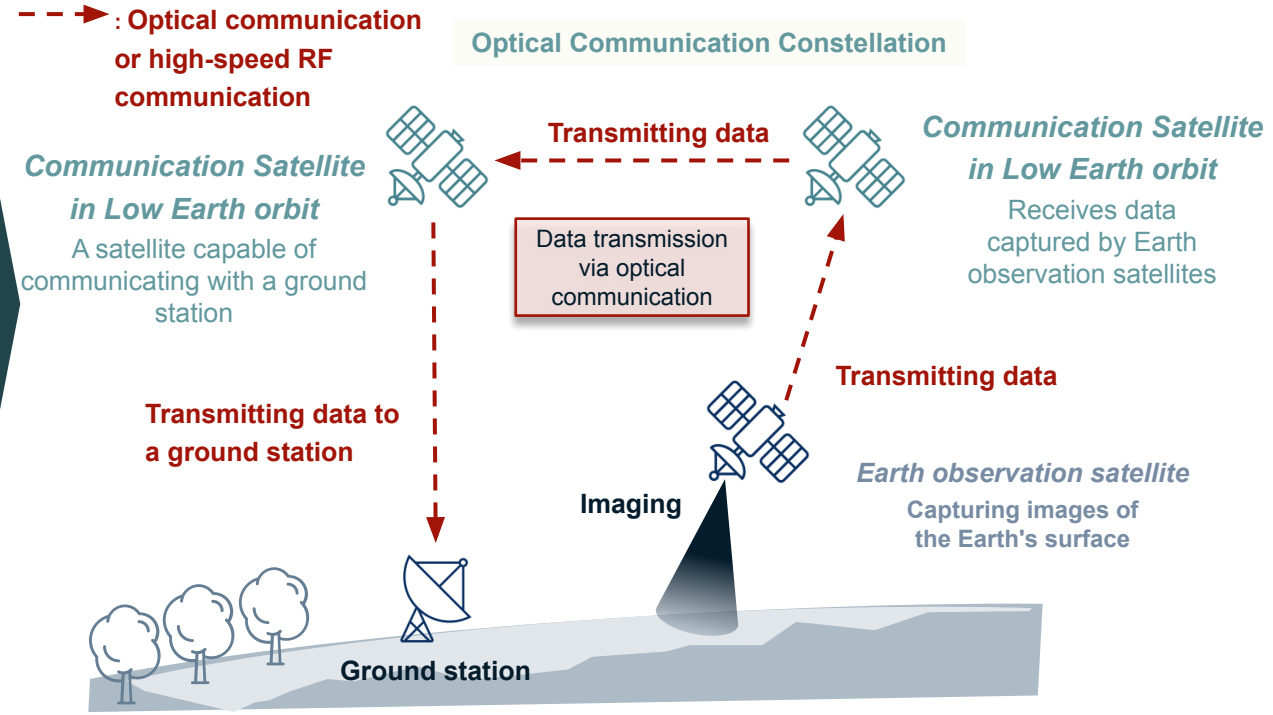
Objective

Enable near-real-time Earth observation through edge computing technology*1 and an optical communication constellation (Earth observation by coordinating satellites with each other)

Conventional Earth Observation



Near-Real-Time Earth Observation



*1: Refers to technology that processes data in space and transmits compressed data to the ground.

Source: Prepared by the Company based on the Cabinet Office and Ministry of Economy, Trade and Industry's "Research and Development Concept (Project Type) for Development and Demonstration of Satellite Constellation Infrastructure Technologies such as Optical Communications" (October 2022 (revised April 2025))

Distinctive Features in Axelspace's In-Orbit Demonstration Services

Axelspace provides shared-ride opportunities for in-orbit demonstration — an essential process for developing space-bound products — accelerating customers' path to commercialization.

Position and Overview of In-orbit Demonstration in the Development Process for Space Products

General Process

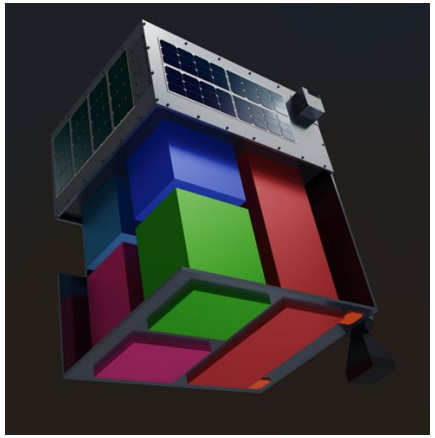
- Conceptual Design
  Basic Design
  Detailed Design
- Ground Environmental Testing
- In-Orbit Demonstration
- Commercialization

Overview of In-Orbit Demonstration

- Space components under development are mounted on satellites and verified by actual operation in orbit (space environment).
- Not merely launching, but conducting payload design, operation planning, and data acquisition to evaluate product practicality.

Key Features in Axelspace's In-orbit Demonstration Service

- By providing rideshare-type services using versatile buses, Axelspace reduces costs while shortening lead time to demonstration. This contributes to accelerating the process from technology verification to commercialization.
  - Single-company demonstrations tend to require extended preparation periods for satellite manufacturing, etc., with significant cost burdens.
- Opportunities to conduct rideshare-type in-orbit demonstrations domestically are limited, and globally, only a few companies provide similar services.

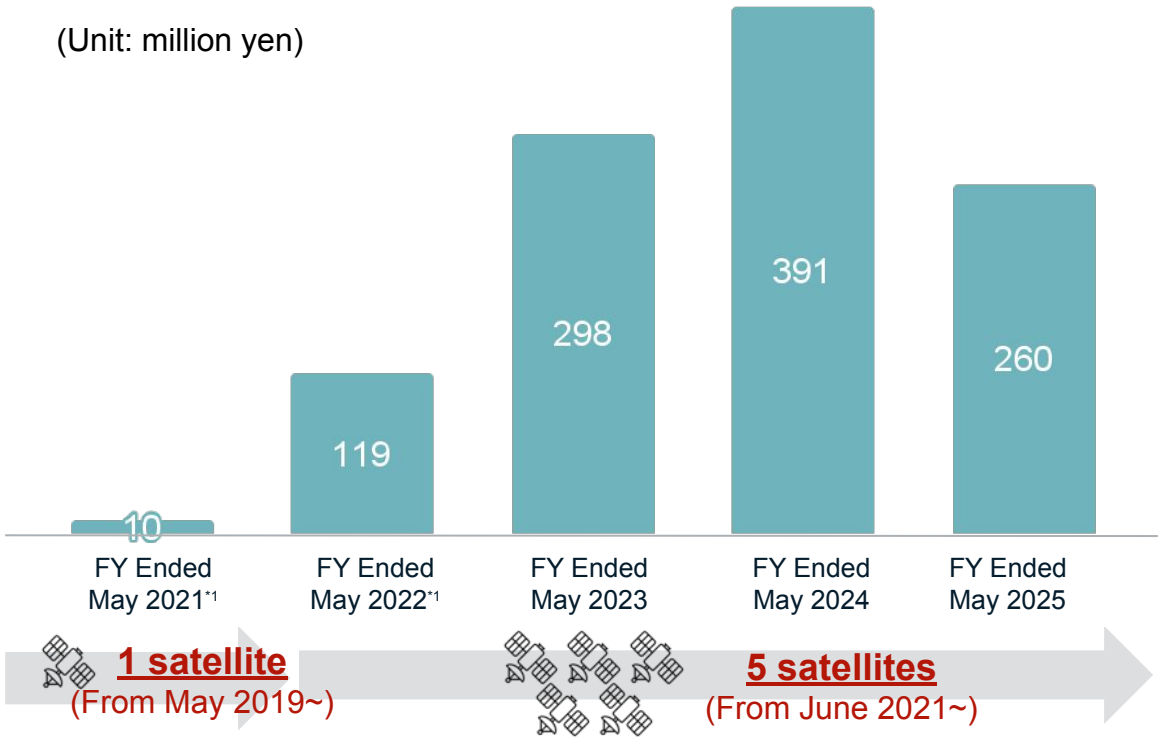


Service Provision Image
(Providing customers with only the necessary space, as shown in the lower compartment)

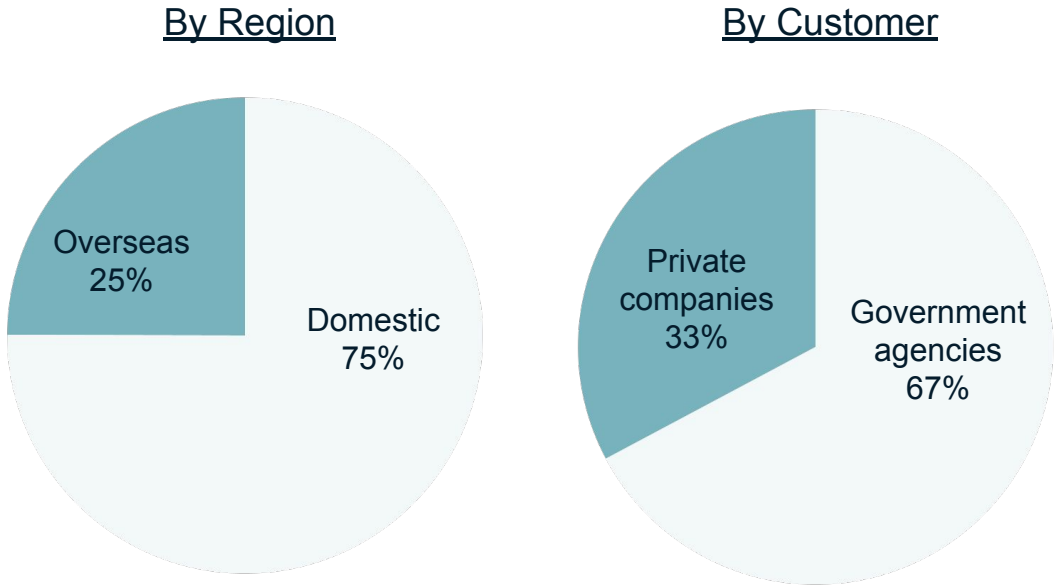
AxelGlobe Business Performance

Axelspace has expanded imaging frequency and capacity by increasing the number of operational medium-resolution optical satellites in its constellation. Revenue secured from government agencies as well as private enterprises and overseas customers.

Revenue
(Full year)



Major Customers of AxelGlobe Business
(Q3 of FY Ending May 2026)



*1: For FYs Ended May 2021 and May 2022, audit certification under Article 193-2, Paragraph 1 of the Financial Instruments and Exchange Act or equivalent has not been obtained.

AxelGlobe Business: Workflow of Image Data Sales*1

Revenue is recognized upon completion of image delivery to the customer, following the execution of an agreement and the capture of images requested by the customer.

AxelGlobe — **Provides Satellite Imagery and Related Services with Our Operating Satellites**

Data provision from Axelspace to distributors ↓ ↑ Payment of fees

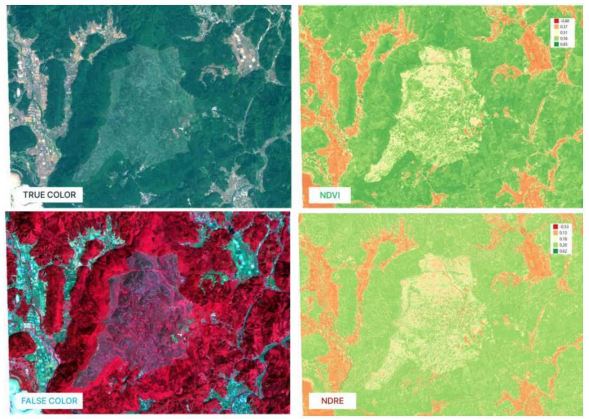
Distributors

Data provision from distributors to customers ↓ ↑ Payment of fees

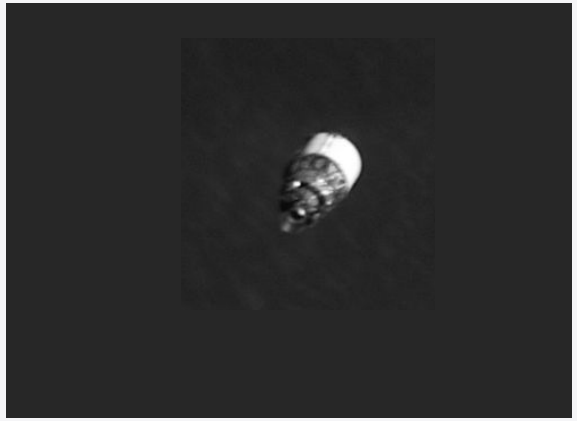
Provision of data, analysis and consultation services using the data (Direct sales)*1 ↓ ↑ Payment of fees

Customer

Agriculture and Forestry



SSA (Space Situational Awareness)



Security



Mapping



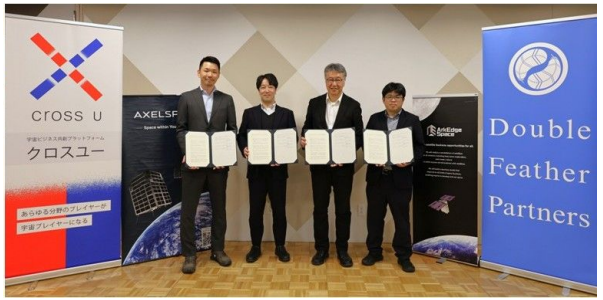
*1: Depending on the contract structure with customers, different service provisions may apply.

AxelGlobe Business Progress: Earth Observation Data

Securing domestic government projects and implementing initiatives to expand satellite data utilization in emerging countries

Creating a Satellite Data Market in Africa

- In February 2026, four organizations including Cross U, a general incorporated association, formed a consortium to promote co-creation in the African market within the space business sector.
- As the first co-creation project, we entered into a memorandum of understanding (MOU) with Jethi Software Development PLC, an Ethiopian company, to address social issues through satellite data utilization. We will jointly develop solutions for "improving agricultural productivity," "forest conservation," and "optimizing urban planning" in the region.





Continuous provision of satellite imagery to the Digital Japan Basic Map

- In January 2026, it was decided that AxelGlobe satellite imagery would be provided for the Digital National Basemap Project of the Geospatial Information Authority of Japan (GSI), Ministry of Land, Infrastructure, Transport and Tourism. We have been providing imagery continuously since the initial contract in fiscal 2023.
- For this project, Axelspace has leveraged “AxelGlobe Mosaic,” a product developed, to generate and deliver cloud-free satellite imagery that reflects the latest conditions of geographic features across Japan over multiple years. This has been achieved by compositing multiple images of the same locations captured at different times.

Capturing the same location at different times



Generating cloud-free satellite imagery

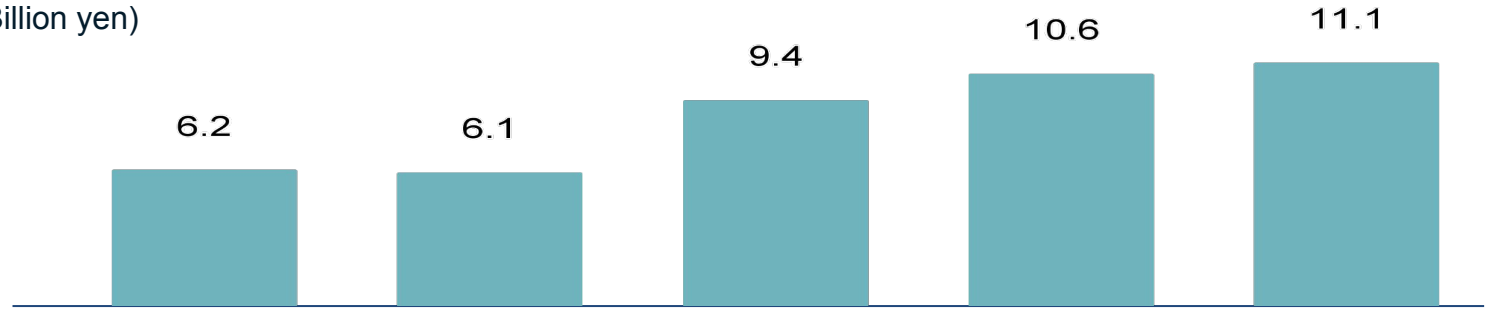
Note: Includes content announced from the end of the Q3 of FY Ending May 2026 (February 28, 2026) to the announcement date (April 14, 2026).

AxelGlobe Business: Business Progress

Axelspace Corporation is participating in this project as the sole provider of optical imagery. The total contract amount over the project period is 43.6 billion yen (without tax)[*1*2] Service will begin as planned in April 2026.

Projected revenue by fiscal year (without tax) [*2]

(Unit : Billion yen)



Fiscal Year of the business[*2]	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030
Service Delivered period	From April 2026 to the end of March 2027	From April 2027 to the end of March 2028	From April 2028 to the end of March 2029	From April 2029 to the end of March 2030	From April 2030 to the end of March 2031

Client	Ministry of Defense (Japan)
Project	Satellite Constellation Project
Project Duration	From February 19, 2026 until March 31, 2031 (approx. 5 years)
Contract	Acquisition of image data from satellite constellation
Contracting Party	Tri-Sat Constellation Co., Ltd. (Consortium members：Mitsubishi Electric Corporation, SKY Perfect JSAT Corporation, Mitsui & Co., Ltd.) Axelspace Corporation Mitsui Bussan Aerospace Co., Ltd.
Contract Amount	43.6 billion yen (without tax)[*2]

Revenue recognition for the project

- In connection with the provision of services under this matter, the Company expects to recognize the consideration related to this project as revenue of the AxelGlobe business in each fiscal year, up to the amounts specified above.
- If the performance requirements set by the client are not achieved, penalties (including refund or repayment measures) may be incurred.
- Axelspace Corporation plans to pay Mitsui Bussan Aerospace Co., Ltd. an intermediary commission calculated by applying a fixed rate to its revenue.

Impact on financial forecast

- Our financial forecast for the fiscal year ending May 2026 incorporates both the revenue and expenses for the two-month period of this project (from April through the end of May 2026), based on certain assumptions.

*1: Revenue may not be recognized in the anticipated period due to circumstances such as project failure or cancellation. In addition, if a decision is made to scale down the project, the revenue stated herein may not be recognized, or the actual timing and amount of orders received may differ materially from those described.
*2: Amounts are rounded down to the nearest hundred million yen. "Fiscal Year (FY)" indicates the fiscal year of the client.
*3: This page contains forward-looking statements. Please refer to page 64 for the assumptions, limitations, constraints, and risks associated with such forward-looking statements.

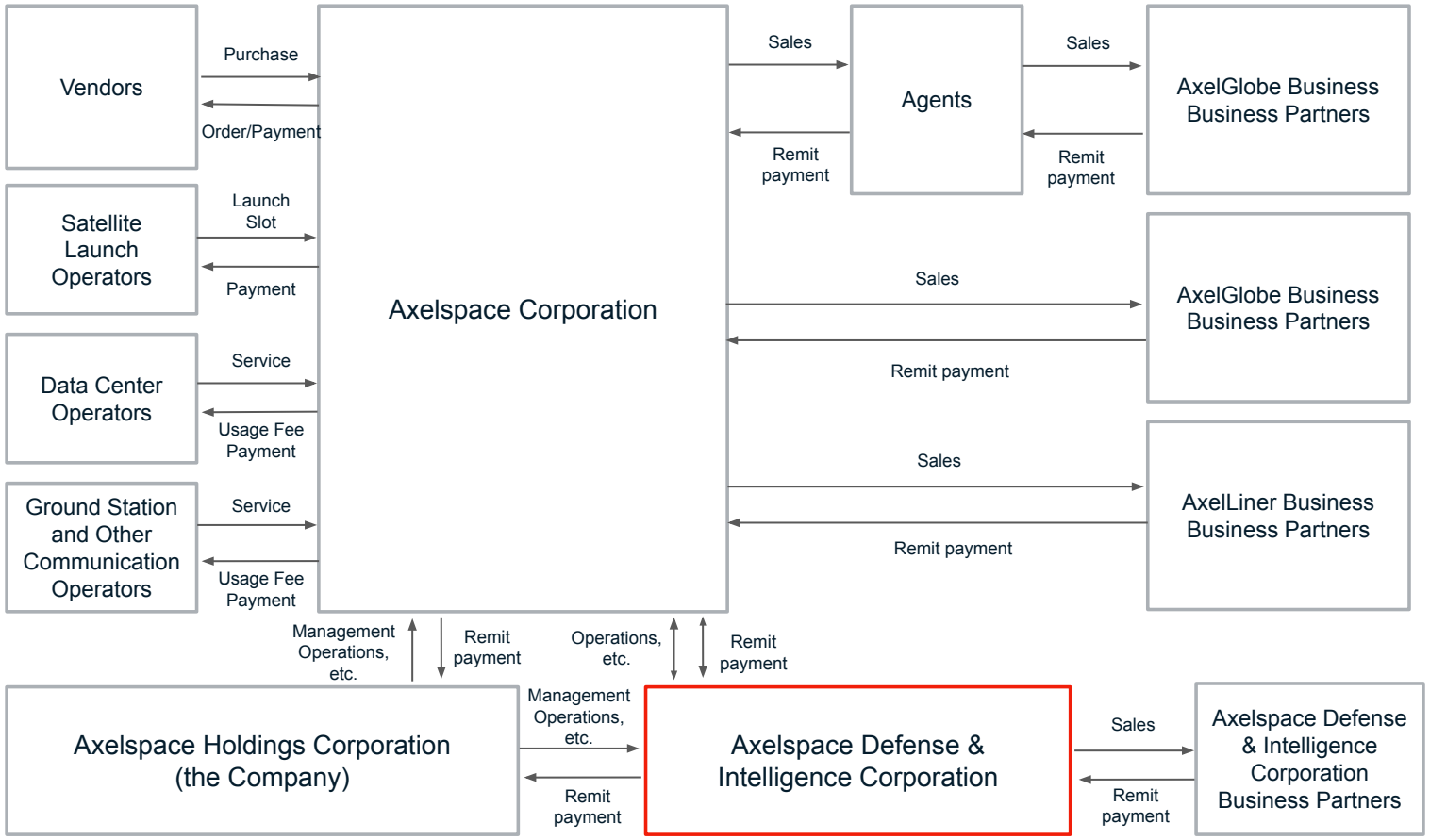
Other Business Progress *1

Established subsidiary to strengthen responsiveness to customer needs in the defense and intelligence sector *2

Company Overview

Name	Axelspace Defense & Intelligence Corporation
Representative	Yoshihiro Ota
Business Description	Provision of services using spacecraft for the defense and intelligence sector, as well as consulting and support for such services.
Capital	30 million yen
Date of Establishment	March 1, 2026
Major Shareholders and Shareholding Ratio	Axelspace Holdings Corporation 100%

Business System Diagram



*1: Includes content announced from the end of Q3 FY May 2026 (February 28, 2026) through the announcement date (April 14, 2026).
*2: For details, please refer to "(Update on a Previously Disclosure) Notice on Establishment of a Subsidiary" released on March 2, 2026.

Other Business Progress

Adopted for three technology development themes in Space Strategy Fund Phase 2

List of Our Group's Adopted Projects in Space Strategy Fund Phase 2 *1

Project	Lead Organization	Partner Organizations	Technology Development Theme and Technology Development Topics *2*3*4		Project Expected Period *2*3*4	Project Scale *5
AxelLiner Business	**Axelspace Corporation**	Meisei Electric Co., Ltd. ANA HOLDINGS INC. JIJ Inc.	Technology Development Theme:	Technology to Enhance Capability of Next Generation Earth Observation Satellites *6	Up to approximately 6 years	Upper limit of 3 billion yen (including launch and in-orbit demonstration costs)
			Technology Development Topic:	Source-Specific CO2 Emission and Uptake Monitoring through Satellite Constellation and Aircraft Observations		
AxelGlobe Business	General Incorporated Association Cross U	**Axelspace Corporation** Double Feather Partners Inc. ENKOPA Lab LLC	Technology Development Theme:	Implementation of Satellite Data Utilization System: (B) Establishing Foundations for Overseas Deployment *7	Up to 5 years	300 million yen or less
			Technology Development Topic:	Establishing a Methodology to Tackle Social Challenges in Africa through a Japan-Originated Common Platform for Satellite Data Utilization		
AxelGlobe Business	Remote Sensing Technology Center of Japan (RESTEC)	PASCO Corporation New Space Intelligence Corporation **Axelspace Corporation** Synspective Inc.	Technology Development Theme:	Implementation of Satellite Data Utilization System: (C) Developing Mechanisms for Satellite Data Application Systems to Gain Satellite Data Solution Businesses*8	Through end of September 2030 Scheduled	Approximately 1 to 3 billion yen
			Technology Development Topic:	Developing a Mechanism for Calibration, Validation, and Correcti on to Promote the Utilization of Domestically Developed Small Satellites		

*1: Includes content announced from the end of Q3 FY May 2026 (February 28, 2026) through the announcement date (April 14, 2026). The projects in this section are not included in the order backlog as of the end of Q3.
*2:For contracted projects, revenue may not be recorded at the anticipated time due to circumstances such as project failure or cancellation. In addition, projects are normally renewed on an annual basis (although multi-year contracts may occur), and if the project itself is canceled, the contract may not be renewed. Furthermore, if a project is suspended due to stage-gate review (interim evaluation) or other circumstances, revenue for the uncontracted portion from that point onward may not be recorded. Additionally, for uncontracted portions, even if a contract is concluded, the actual timing of orders may differ significantly. This page also contains forward-looking information. Please refer to page 64 for assumptions, limitations, constraints, and risks regarding forward-looking information.
*3: If a project is suspended due to stage-gate review (interim evaluation) or other circumstances, revenue for the uncontracted portion from that point onward may not be recorded. Additionally, for uncontracted portions, since this is the current estimate of the project timing, even if a contract is concluded, the timing may differ significantly from the actual order timing. This page also contains forward-looking information. Please refer to page 64 for assumptions, limitations, constraints, and risks regarding forward-looking information.
*4: For contracted projects, revenue may not be recorded at the anticipated time due to circumstances such as stage-gate review (interim evaluation), project failure, or cancellation. In addition, this is a project with annual contract renewals, and if the program itself is canceled, the contract may not be renewed.
*5: Represents the overall project scale and not our Group's order amount.
*6: For project overview, please refer to page 38 and "Announcement of Selection for Phase II of the Japan's Space Strategy Fund 'Technology to Enhance Capability of Next Generation Earth Observation Satellites" released on March 27, 2026.
*7: For project overview, please refer to "Announcement of Selection for Phase II of the Space Strategy Fund 'Implementation of Satellite Data Utilization System: (B) Establishing Foundations for Overseas Deployment" released on March 17, 2026.
*8: For project overview, please refer to "Announcement of Selection for Phase II of the Space Strategy Fund "Implementation of Satellite Data Utilization System: (C) Developing mechanisms for satellite data application systems to gain satellite data solution businesses (observation, positioning, etc.)" released on March 19, 2026.

Future Satellite Development Plans and Secured Launch Slots

: Launch record : Planned launch (launch slot secured) : Anticipated launch schedule for projects under discussion/projects to be pursued in the future

	2024		2025		2026		2027	
	FY Ended May 2024		FY Ended May 2025		FY Ending May 2026		FY Ending May 2027	FY Ending May 2028
AxelLiner Business KPI: Number of Launches as Demo-Satellites (Cumulative 6 Satellites from FY Ending May 2025 to FY Ending May 2028)								
Government agency projects								**2 satellites** K Program **1 satellite** JAXA-STEPS *2 (AL Lab)
Private enterprise projects	 **1 satellite** March 2024: "PYXIS" (in-house demonstration)						**1 satellite** in-Orbit Demonstration (AL Lab)	**2 satellites** in-Orbit Demonstration (AL Lab)
AxelGlobe Business KPI: Number of Operating Satellites in Constellation (as of FY Ending May 2028, 14 Satellites)								
Medium resolution	 **5 satellites** GRUS-1A to E		**5 satellites**		 Launch of 1 satellite *3 GRUS-3α		**12 satellites** Launch of 7 "GRUS-3" satellites	**11 satellites** *4
High resolution								**3 satellites** Launch of 3 satellites **+2 satellites** *5 Launch timing undetermined

*1: For contracted projects, launches may not be conducted at the anticipated time due to circumstances such as project failure or cancellation. Additionally, for projects where only a portion is currently under contract, the plan includes the uncontracted portion of the remaining project. Furthermore, projects are typically renewed annually (although multi-year contracts may occur), and if the project itself is canceled, the contract may not be renewed. Moreover, if a project is suspended due to stage-gate reviews (interim evaluations) or other circumstances, launches from that point onward may not be conducted. Additionally, the planned launch schedule for uncontracted portions is based on current projections, and even if contracts are concluded, the actual timing of orders may differ significantly from the indicated period. This page also contains forward-looking information. Please refer to page 64 for assumptions, limitations, constraints, and risks regarding forward-looking information.

*2: As of the publication date of this material, the planned procurement of hosted payload services has been announced for providing demonstration opportunities for research and development/demonstration targets in this program. Therefore, Axelspace, which has a proven track record in microsatellite development in Japan, is listed as a project that can be reasonably targeted. At present, a request for information has been issued for this project, and there is no guarantee that an order will actually be received. This project is expected to launch in fiscal year 2028 or later according to the implementing agency's fiscal year.

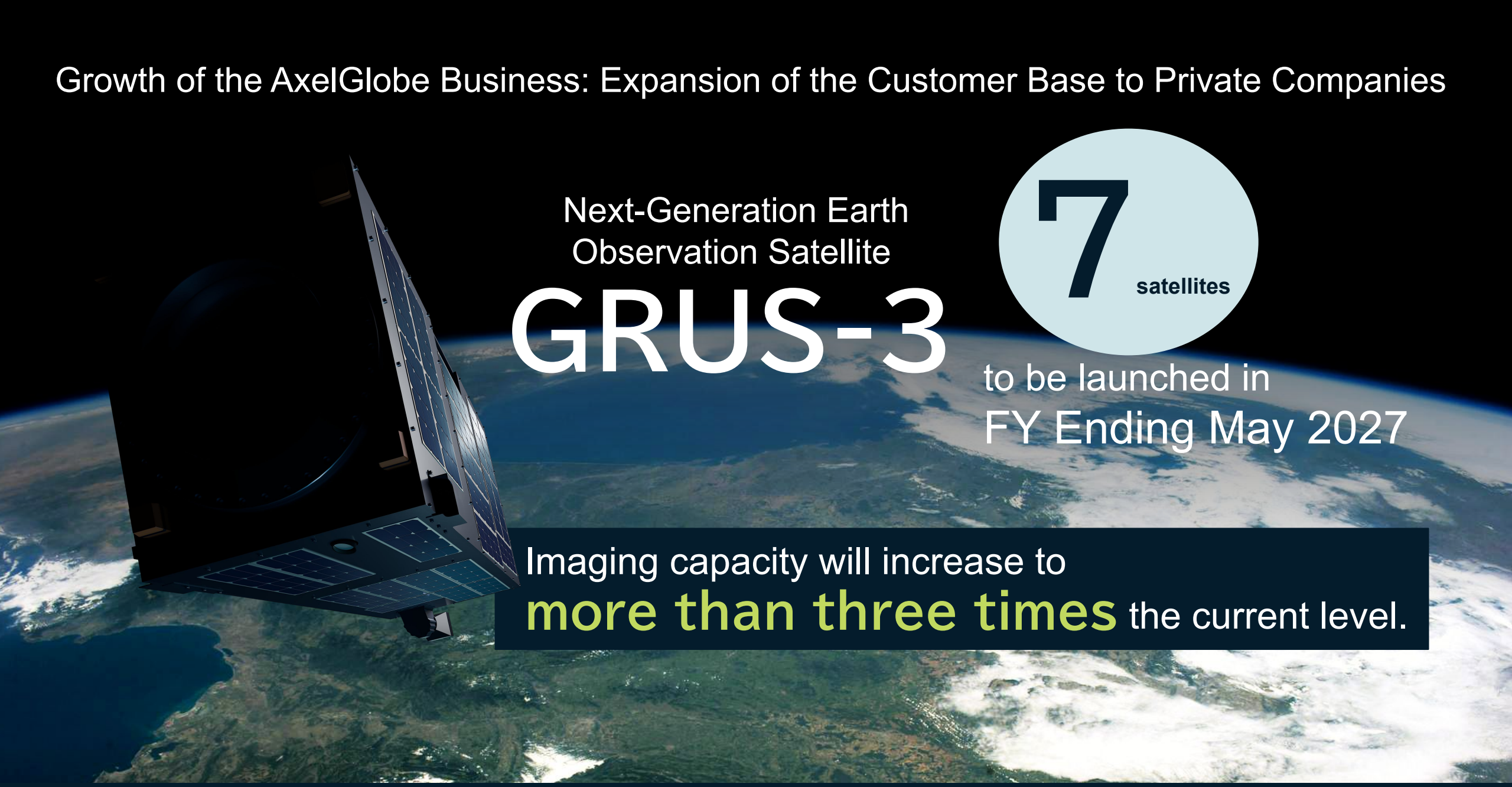
*3: This satellite is a demonstration unit and is not included in the number of satellites in constellation operation.

*4: In consideration of the service life of GRUS-1, some units are expected to complete their operation as part of the constellation.

*5: The launch timing for this project is undetermined. For details, please refer to the "Announcement of the manufacturing of new satellites (Capital expenditures)" published on January 14, 2026.

Note: The above schedule is a plan assuming smooth business progress, and the actual launch schedule may differ significantly. Additionally, there is no guarantee that the above launch schedule will be realized in the future.

Growth of the AxelGlobe Business: Expansion of the Customer Base to Private Companies



Next-Generation Earth Observation Satellite

GRUS-3

7 satellites

to be launched in FY Ending May 2027

Imaging capacity will increase to **more than three times** the current level.

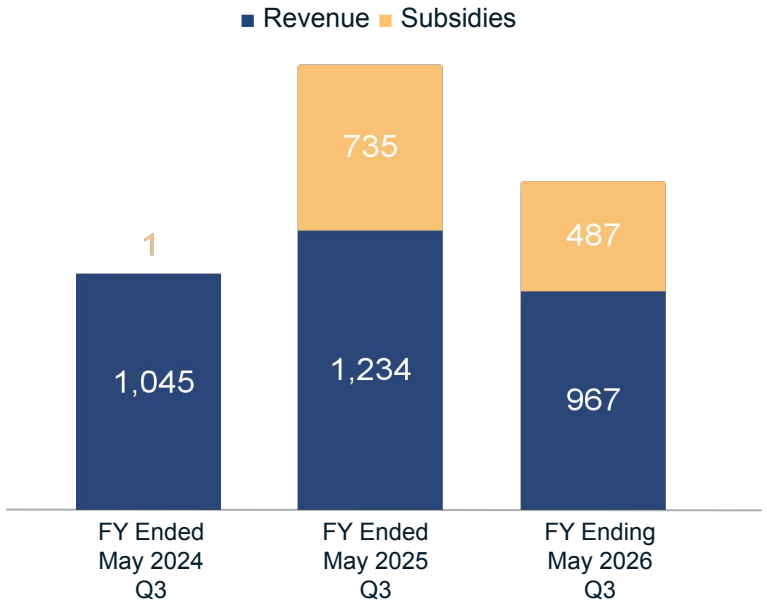


Consolidated Third Quarter Financial Results for the FY Ending May 2026

Financial Results Trends

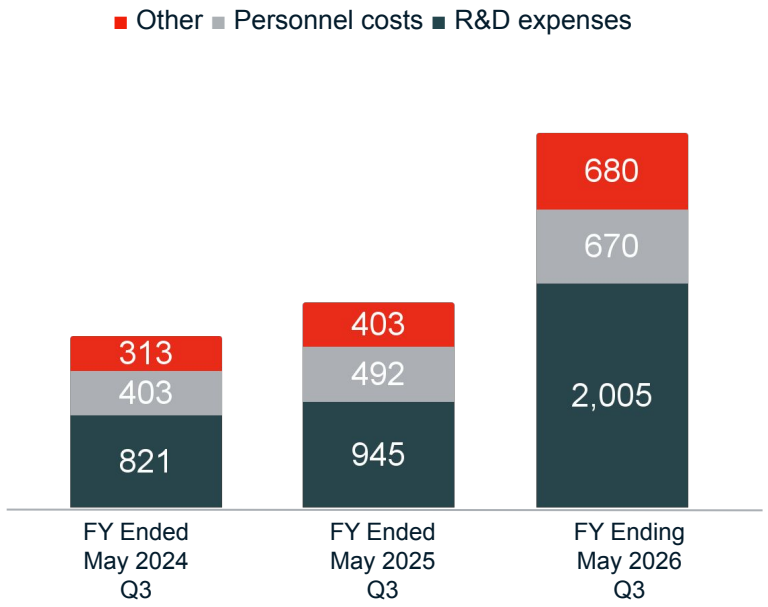
In the Q3 of FY Ending May 2026, revenue decreased due to changes in the manufacturing phase of a government-related project in the AxelLiner Business.

Total Revenue



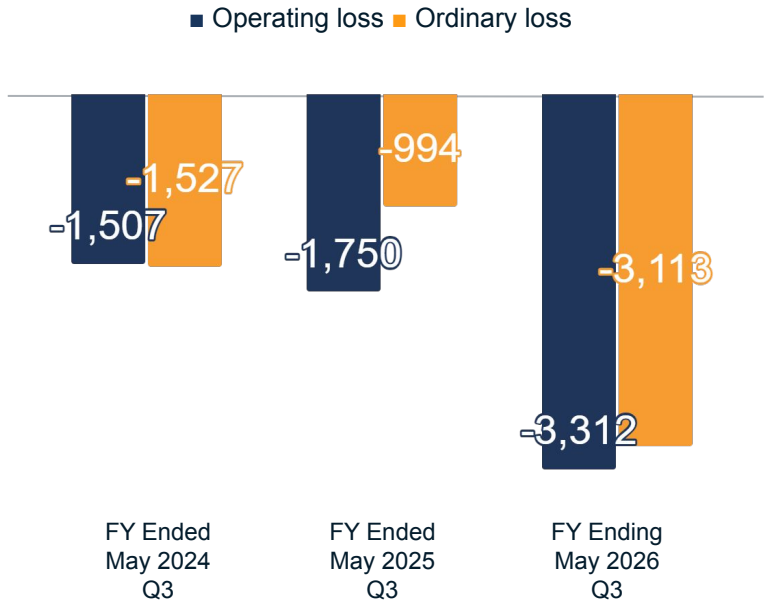
- Revenue decreased due to changes in the manufacturing phase of a government-related project included in the AxelLiner Business. (details provided on page 22)

Selling, General and Administrative Expenses



- R&D expenses increased due to the manufacturing of a ground test model for our own satellites.
- Increase in personnel costs and recruitment costs.

Operating Profit/Loss (Unit: million yen)



- Operating loss increased due to a decrease in subsidies and an increase in SG&A expenses.
- Increase in non-operating expenses associated with listing.

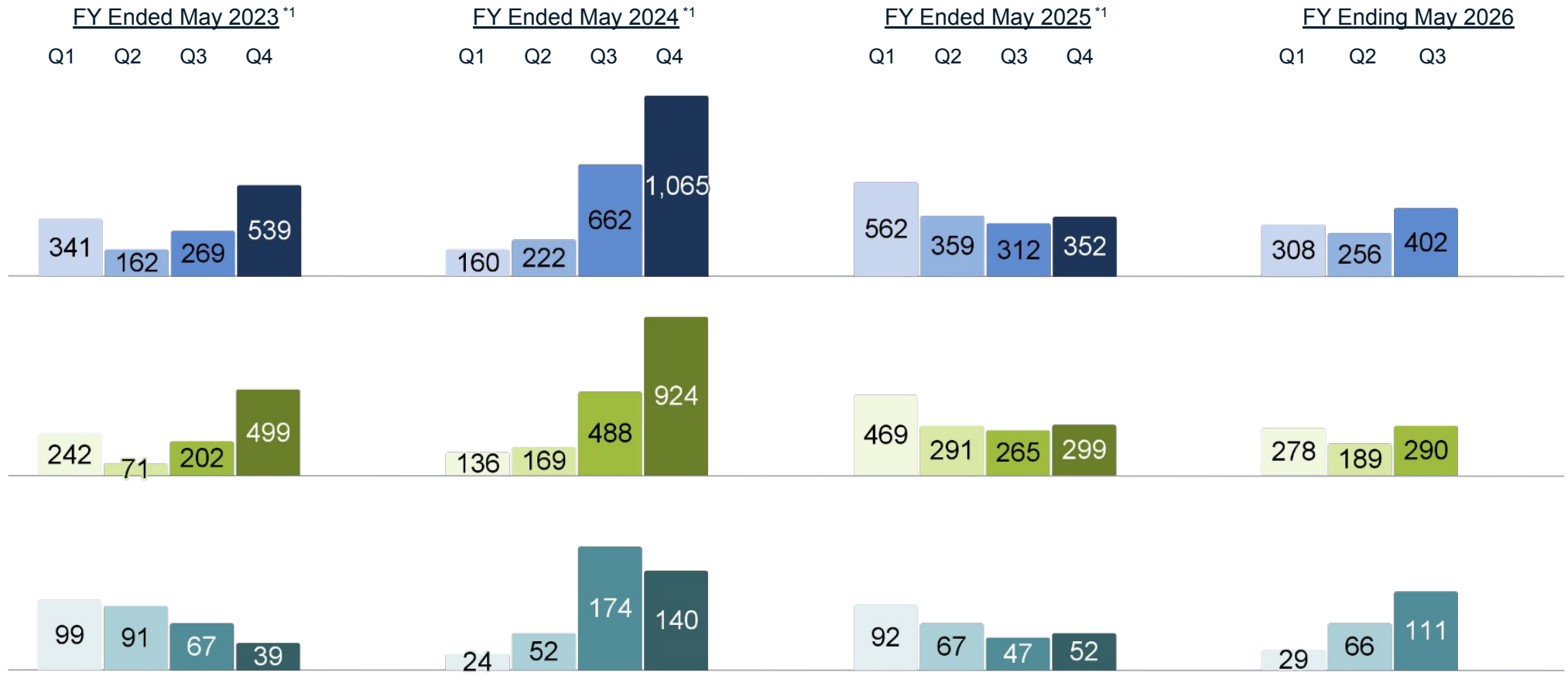
Note: For Q3 of the fiscal year ended May 2024, reference values are provided as quarterly consolidated financial statements were not prepared.

Quarterly Financial Results Trends

Due to factors such as the timing of delivery and acceptance of contracted projects and project progress, quarterly results may fluctuate significantly, with a tendency for revenue to be substantial particularly in the Q4.

[Quarterly Revenue Trends by Segment]

(Unit: million yen)

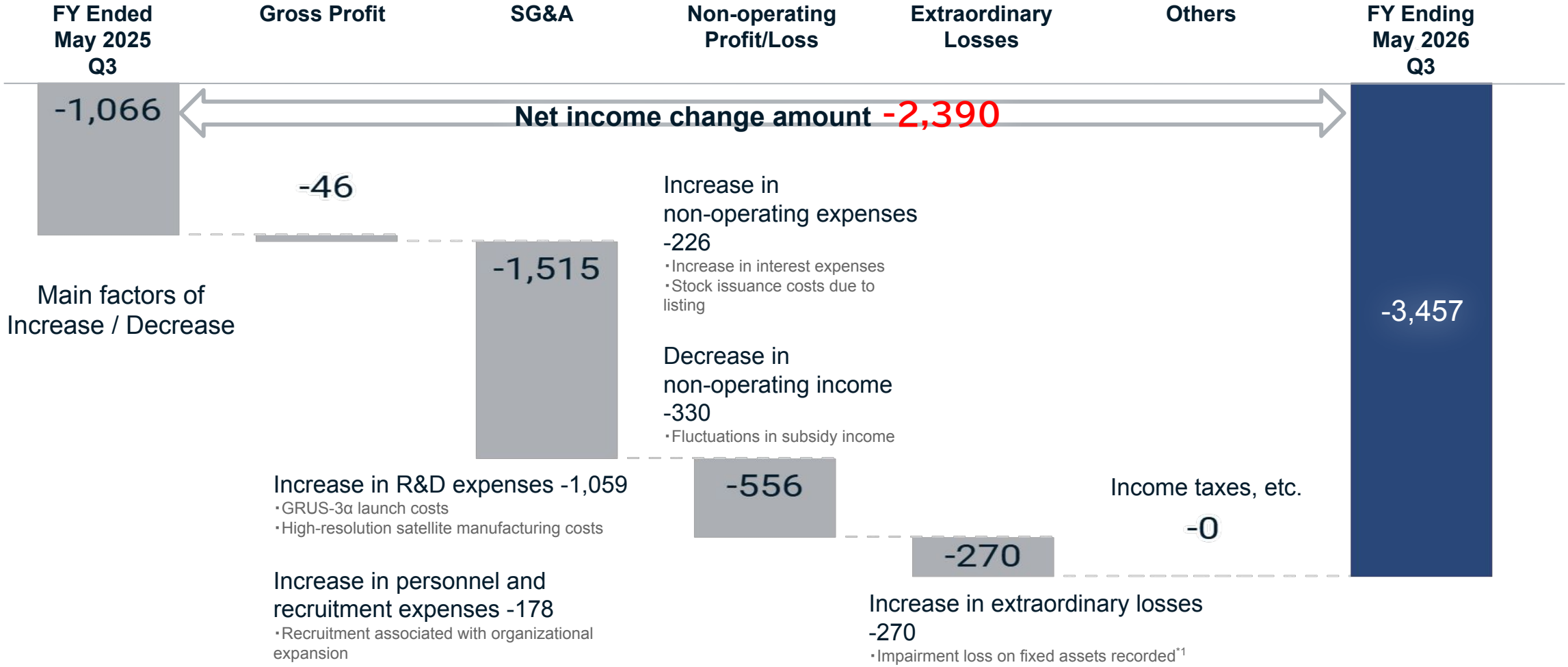


*1: For FY Ended May 2023, FY Ended May 2024, and Q1 of FY Ended May 2025, reference values are provided as quarterly consolidated financial statements were not prepared.

Factors Behind the Change of Consolidated Quarterly Net Income (YoY Comparison)

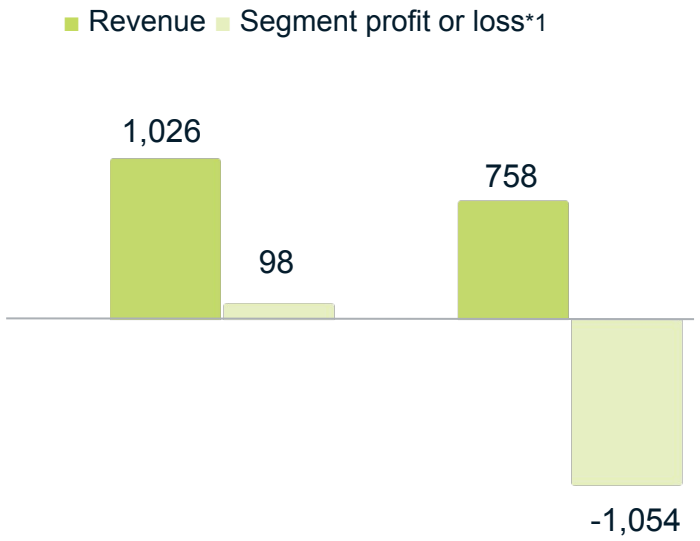
Profit decreased mainly due to the impact of increased research and development expenses related to future satellite development.

(Unit: million yen)



*1: Please refer to the 'Consolidated Financial Results for the Third Quarter of the Fiscal Year Ending May 2026 (Japanese GAAP)' announced on April 14, 2026 (Japanese only).

Performance by Segment: AxelLiner Business



(Unit: million yen)	FY ended May 2025 Q3	**FY ending May 2026 Q3**	Year-on-year change
Revenue	1,026	**758**	-26.1%
Cost of sales	926	**730**	-21.2%
Gross profit	99	**28**	-71.3%
Segment profit (loss) *1	98	**-1,054**	-

【 Year-on-year variance】

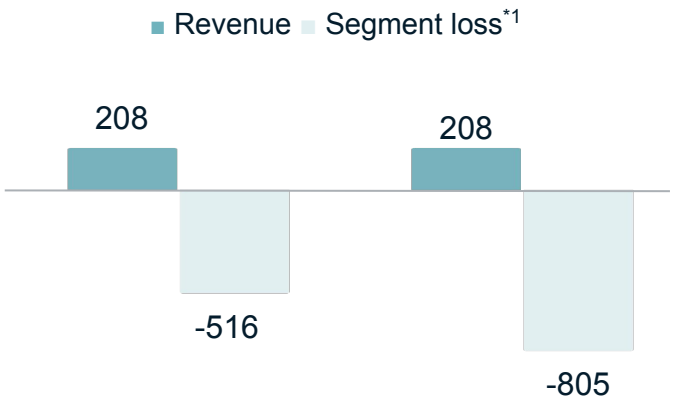
- **Revenue**
  - Revenue decreased as cost of sales decreased due to the manufacturing schedule under the K Program, where revenue is recognized based on cost of sales.
  - In the previous period, personnel costs related to manufacturing and parts procurement were implemented. Currently, assembly of the demonstration unit using procured parts is being implemented.
- **Cost of sales, Gross profit**
  - Cost of sales decreased due to the manufacturing schedule under the K Program.
- **Segment loss* 1**
  - Increase in research and development expenses related to "GRUS-3α", "GRUS-3" and high-resolution satellites.
  - Increase in personnel costs.
  - Decrease in subsidy income recorded as non-operating income.

【Performance Analysis】

- **Progress Against KPI**
  - Number of demonstration satellites launched is the KPI
    - Cumulative 6 units from the FY ended May 2025 to the FY ending May 2028
    - Current progress: Cumulative 1 satellite
      Launch of 1 satellite, GRUS-3α, in the FY ending May 2026

*1: Segment profit or loss is based on ordinary loss.

Performance by Segment: AxelGlobe Business



(Unit: million yen)	FY ended May 2025 Q3	**FY ending May 2026 Q3**	Year-on-year change
Revenue	208	**208**	0.1%
Of which, government agencies	121	**140**	15.2%
Of which, private companies	86	**68**	-21.1%
Cost of sales	217	**192**	-11.3%
Gross profit (loss)	-9	**15**	-
Segment loss *1	-516	**-805**	-

3【Year-on-year variance】

- **Revenue**
  - Although government-related projects increased year-on-year, sales remained flat due to a decline in private-sector projects.
- **Cost of sales, Gross profit**
  - Cost of sales decreased due to revenue decrease resulting from change in revenue recognition period for government projects.
  - As a result of the above, we recorded profit in Q3.
- **Segment loss*1**
  - Increase in R&D expenses related to "GRUS-3" and high-resolution satellites.
  - Increase in personnel costs.

【Performance Analysis】

- **Progress Against KPI**
  - Number of constellation operational units is the KPI
    - 14 satellites by the FY ending May 2028
  - Current progress: 5 operational satellites as of Q3 of the FY ending May 2026

*1; Segment profit or loss is based on ordinary loss.

Consolidated Statements of Income

(Unit: million yen)	Fiscal year ended May 2025 Q3	Fiscal year ending May 2026 Q3	
	Actual	Actual	Year-on-year change
Revenue	1,234	967	-21.7%
Cost of sales	1,143	922	-19.3%
Gross profit	90	44	-51.1%
Selling, general and administrative expenses	1,841	3,356	+82.3%
Operating income (loss)	-1,750	-3,312	-
Non-operating income	841	511	-39.3%
Non-operating expenses	85	311	+265.2%
Ordinary profit (loss)	-994	-3,113	-
Extraordinary income	―	-	-
Extraordinary loss	68	338	＋393.4%
Income (Loss) before income taxes	-1,063	-3,451	-
Income taxes - current	3	5	+57.0%
Income taxes - deferred	―	-	-
Net loss attributable to owners of Parent (Quarterly)	-1,066	-3,457	-

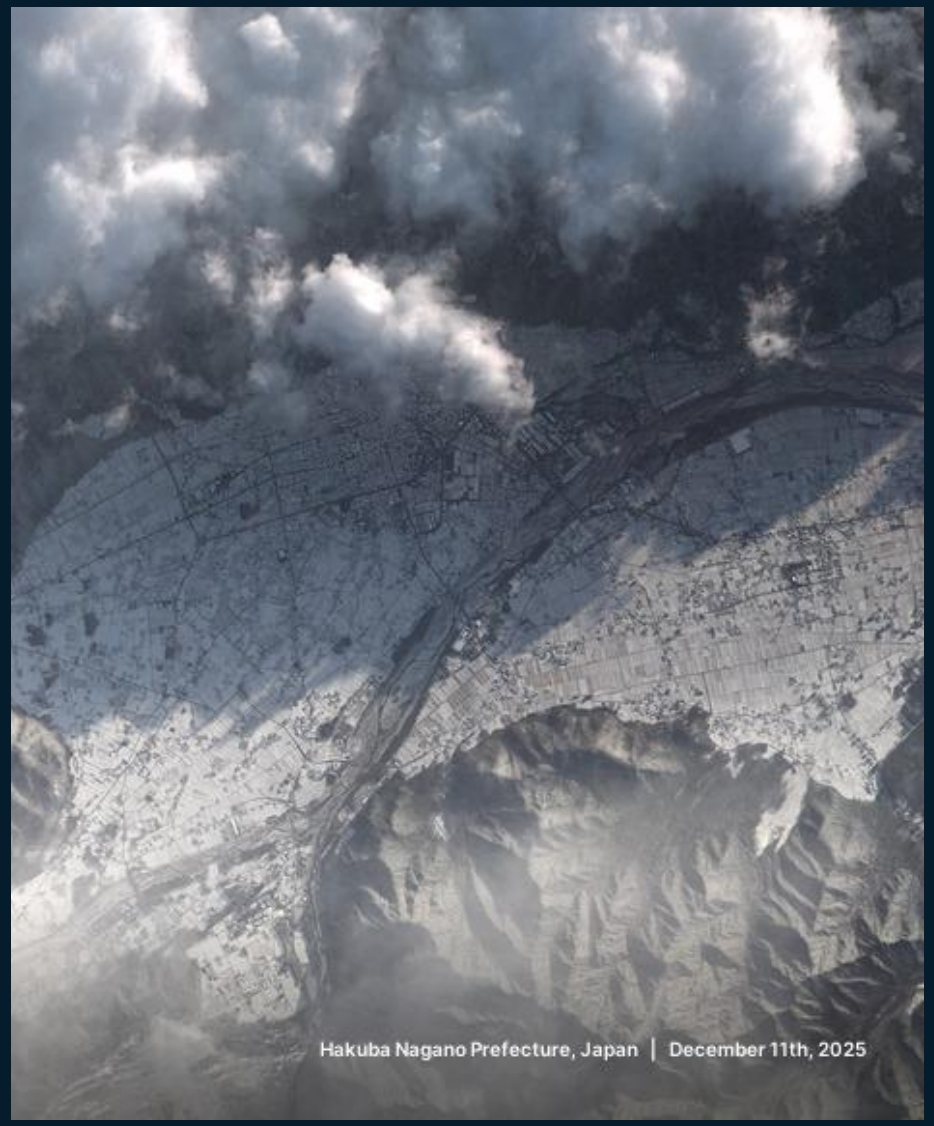
Total revenue (Non-GAAP)* [1]	1,970	1,454	-26.2%

*1: Total revenue is a Non-GAAP measure and is a financial indicator that the Company considers useful for investors in evaluating the performance of the Group. It is calculated by adding subsidy income from government agencies and other sources to revenue.

Consolidated Balance Sheets

(Unit: million yen)	End of May 2025	May 2026 Q3 Period-End	Main Factors for Increase/Decrease
	Actual	Actual	
Assets	**9,523**	**15,487**	
Current assets	9,396	13,886	
Cash and cash equivalents	5,006	8,677	Increase due to fundraising associated with listing and long-term borrowings
Other current assets	4,389	5,208	Increase in advances paid related to satellite manufacturing
Non-current assets	126	1,600	Increase due to assets related to GRUS-3
Liabilities	**6,495**	**7,981**	
Current liabilities	1,545	4,338	
Short-term borrowings	388	2,267	Increase due to reclassification of repayments due within one year from non-current liabilities
Other current liabilities	1,157	2,070	Increase in advances received due to receipt of provisional subsidy payments
Non-current liabilities	4,949	3,642	
Long-term borrowings	4,949	3,642	Decrease mainly due to reclassification of repayments due within one year to current liabilities
Equity	**3,027**	**7,505**	Increase in capital stock and capital surplus associated with listing

Total liabilities and equity	**9,523**	**15,487**	



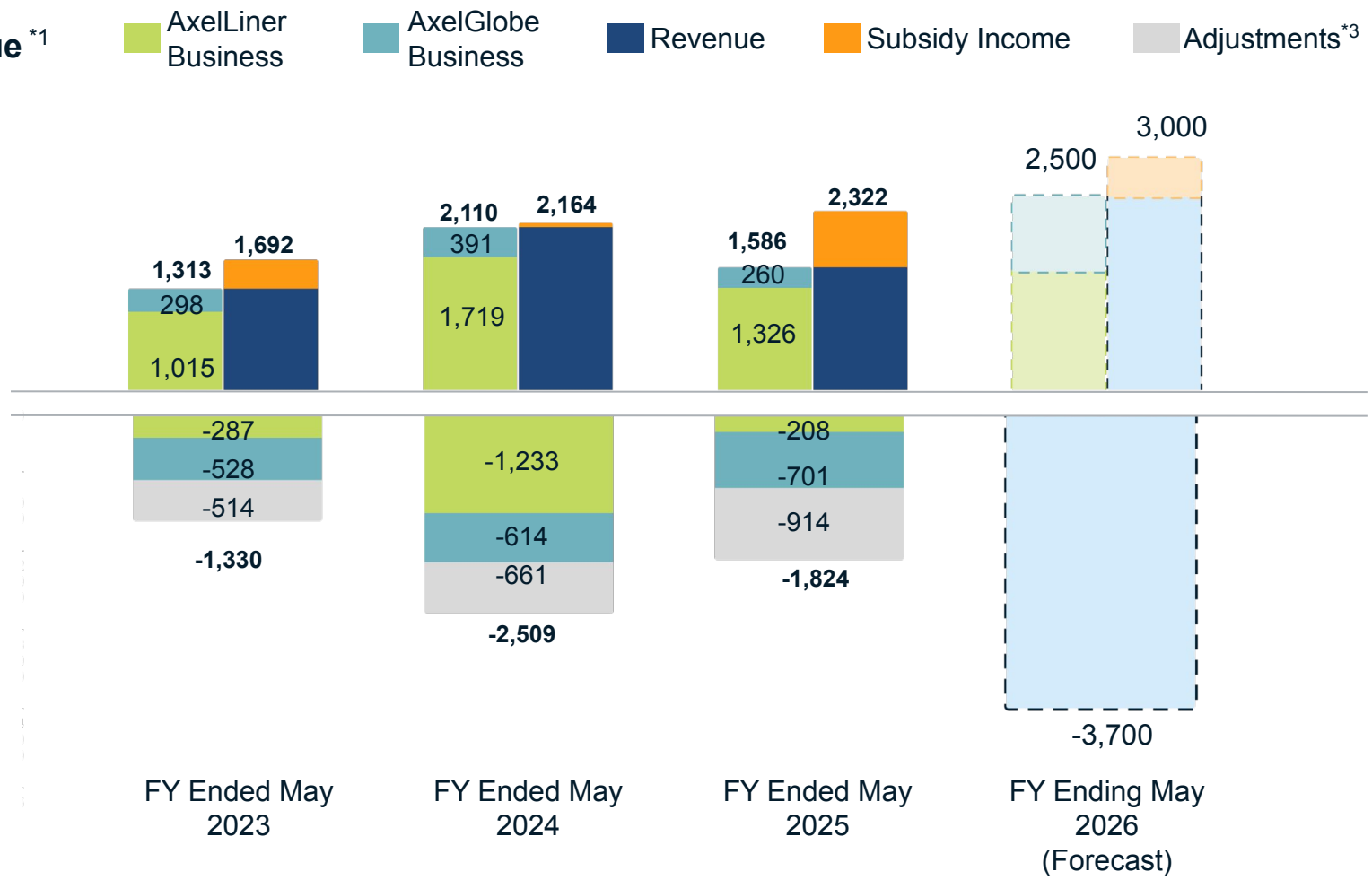
Consolidated Financial Forecast for the FY Ending May 2026

Business Performance Outlook

Revision of the financial forecast for the fiscal year ending May 2026 (announced on April 14, 2026).

Revenue and Total Revenue *1
(Unit: million yen)

Segment Profit *2
(Unit: million yen)



*1: Total Revenue is a Non-GAAP measure and is a financial metric that the Company considers useful for investors in evaluating the performance of the Group. It is calculated by adding subsidy income from government agencies and other sources to revenue.
*2: Segment profit or loss is based on ordinary loss.
*3: Adjustments are company-wide expenses not allocated to each reportable segment (mainly company-wide common administrative expenses not attributable to reportable segments).
Note: For further details of the revisions to the financial forecast, please refer to the "Notice Regarding Revision of Consolidated Financial Forecast for the Fiscal Year Ending May 2026" announced on April 14, 2026.

Financial Forecast (Consolidated)

Revenue and net income attributable to owners of parent revised downward, while operating income (loss) and ordinary income (loss) revised upward.

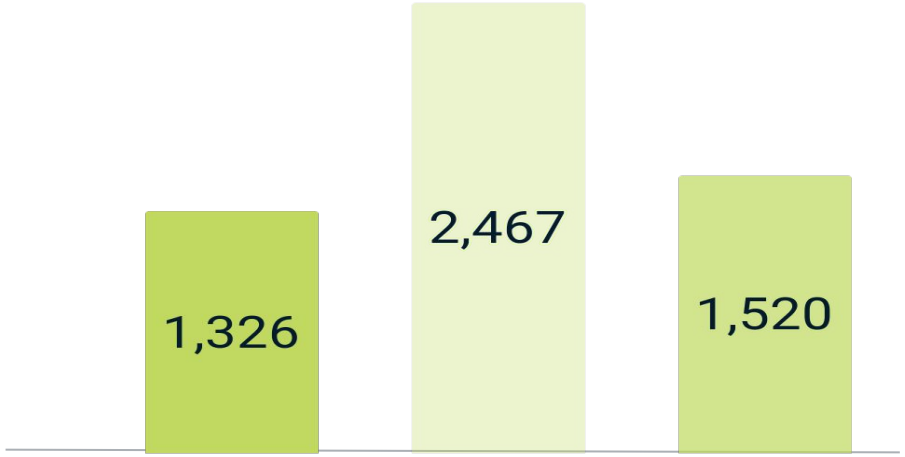
(Unit: million yen)	FY Ended May 2025 (Actual)	FY Ending May 2026 (Previous Forecast)	FY Ending May 2026 (Revised Forecast)	Year-on-Year Change
Revenue	1,586	3,646	2,500	+57.6%
Operating profit (loss)	-2,495	-3,999	-3,800	-
Ordinary profit (loss)	-1,824	-3,876	-3,700	-
Net profit (loss) attributable to owners of parent	-1,950	-3,879	-4,000	-

Total revenue (Non-GAAP)*1	2,322	4,123	3,000	+29.2%

*1: Total revenue is a Non-GAAP measure and is a financial metric that the Company considers useful for investors in evaluating the performance of the Group. It is calculated by adding subsidy income from government agencies and other sources to revenue.
Note: For further details of the revisions to the financial forecast, please refer to the "Notice Regarding Revision of Consolidated Financial Forecast for the Fiscal Year Ending May 2026" announced on April 14, 2026.

Financial Forecast by Segment: AxelLiner Business

For FY Ending May 2026, “K Program” will progress and AxelLiner Laboratory projects will advance.



(Unit: million yen)	FY Ended May 2025 (Actual)	FY Ending May 2026 (Previous Forecast)*2	**FY Ending May 2026 (Revised Forecast)*3**	Year-on-Year Change
Revenue	1,326	2,467	**1,520**	+14.6%
Cost of sales	1,206	2,247	**1,380**	+14.4%
Gross profit	120	220	**140**	+16.7%
Gross profit margin	9.1%	8.9%	**9.2%**	+0.1pt

Reasons for the Revision of Earnings Forecasts*1

Revenue

- In the K Program, some high-cost components originally scheduled for delivery in the fiscal year ending May 2026 (current fiscal year) are now expected to be delivered in the fiscal year ending May 2027 (next fiscal year). As a result, the forecasts for both cost of sales and revenue are expected to decrease.
- Within AL Lab, some projects that were expected to be formed and contracted in the current fiscal year are now anticipated to be postponed to the next fiscal year or later, resulting in a decrease in the revenue forecast.

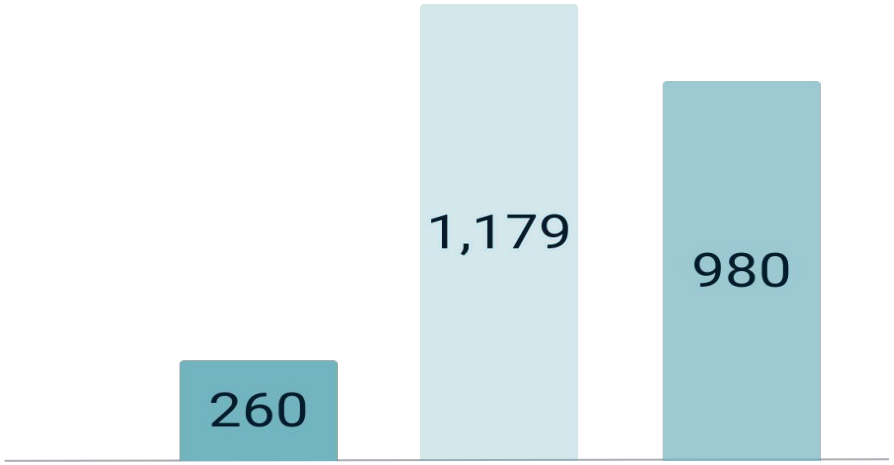
Cost of sales, gross profit

- As noted above, gross profit is expected to decrease in line with the decrease in revenue.

*1: For further details of the revisions to the financial forecast, please refer to the “Notice Regarding Revision of Consolidated Financial Forecast for the Fiscal Year Ending May 2026” announced on April 14, 2026.
*2: Announced on August 13, 2025.
*3: Announced on April 14, 2026.

Financial Forecast by Segment: AxelGlobe Business

In FY Ending May 2026, the Company will steadily execute government projects and promote the manufacturing of "GRUS-3" scheduled for launch in FY Ending May 2027.



(Unit: million yen)	FY Ended May 2025 (Actual)	FY Ending May 2026 (Previous Forecast)*2	**FY Ending May 2026 (Revised Forecast)*3**	Year-on-Year Change
Revenue	260	1,179	**980**	+276.9%
Cost of sales	272	733	**350**	+28.7%
Gross profit (loss)	-12	446	**630**	-
Gross profit margin	-4.62%	37.8%	**64.3%**	+26.5pt

Reasons for the Revision of Earnings Forecasts*1

Revenue

- Domestic operations are progressing as expected—such as the commencement of the Ministry of Defense's "Satellite Constellation Project"—and revenue is expected to exceed the forecast.
- The cancellation of certain overseas projects has led to a decrease in the overall revenue forecast.

Cost of sales, gross profit

- As a result of a review of the recognition criteria, a portion of cost of sales was reclassified to SG&A expenses, with no impact on segment profit margin.

*1: For further details of the revisions to the financial forecast, please refer to the "Notice Regarding Revision of Consolidated Financial Forecast for the Fiscal Year Ending May 2026" announced on April 14, 2026.
*2: Announced on August 13, 2025.
*3: Announced on April 14, 2026.

Forecasts for SG&A Expenses, Non-operating Expenses, etc.



*1: Please refer to the 'Consolidated Financial Results for the Third Quarter of the Fiscal Year Ending May 2026 (Japanese GAAP)' announced on April 14, 2026 (Japanese only).
*2: The adjustments include the effects of rounding at each stage of profit calculation.

Comparison of Breakdown of Consolidated Financial Forecasts

(Unit: Million yen)	FY Ended May 2025 (Actual)	FY Ending May 2026 (Previous Forecast)	FY Ending May 2026 (Revised Forecast)	Year-on-Year Change
Revenue	1,586	3,646	2,500	+57.6%
Cost of sales	1,479	2,980	1,730	+17.0%
Gross profit	107	666	770	+619.6%
Selling, general and administrative expenses	2,602	4,665	4,570	+75.6%
Operating income (loss)	-2,495	-3,999	-3,800	-
Non-operating income	844	477	490	-41.9%
Non-operating expenses	173	354	390	+125.4%
Ordinary profit (loss)	-1,824	-3,876	-3,700	-
Extraordinary income	-	-	-	-
Extraordinary loss	122	0	338	+177.0%
Net loss attributable to owners of Parent	-1,950	-3,879	-4,000	-

Total revenue (Non-GAAP)* [1]	2,322	4,123	3,000	+29.2%

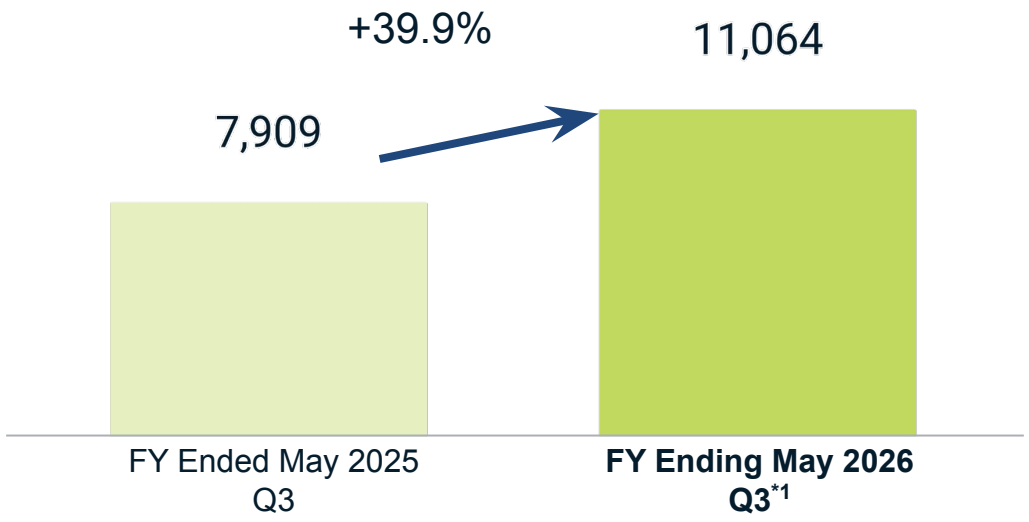
*1: Total revenue is a Non-GAAP measure and is a financial indicator that the Company considers useful for investors in evaluating the performance of the Group. It is calculated by adding subsidy income from government agencies and other sources to revenue.

Order Backlog Trends by Segment

Order backlog increased in both business segments compared to the previous period. Order backlog refers to the portion of the total order value received through the end of the applicable period that has not yet been recognized as revenue.

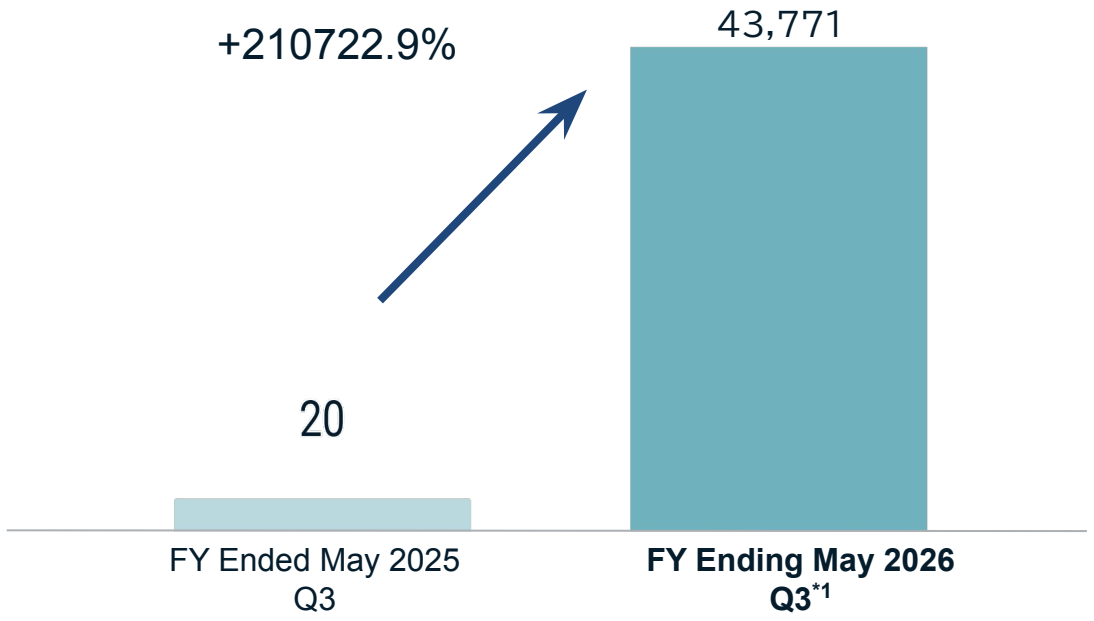
AxelLiner Business

(Unit: million yen)



AxelGlobe Business

(Unit: million yen)



*1: Order backlog from projects received after the end of Q3 of FY Ending May 2026 is not included.

Note: This page contains forward-looking information. Please refer to page 64 for assumptions, limitations, constraints, and risks regarding forward-looking information.

AxelLiner Business Pipeline

For the AxelLiner Business, with the contribution of orders received for private sector projects by AL Lab, the order backlog as of the end of Q3 of the fiscal year ending May 2026 was 11,064 million yen.

Project	Customer		Project *1*2*3	Project Expected period *1*2*3
AxelLiner Business	Government agencies	New Energy and Industrial Technology Development Organization (NEDO)	Key and Advanced Technology R&D through Cross Community Collaboration Program (K Program)*4	Through fiscal year ending May 2032
AxelLiner Business	Government agencies	New Energy and Industrial Technology Development Organization (NEDO)	Development and Demonstration of General-Purpose CubeSat and Microsatellite Buses*5	Through fiscal year ending May 2027
AxelLiner Business (AL Lab)	Private companies	Pale Blue Inc.	In-orbit demonstration service for Hall thruste *6	Multiple years from December 16, 2025

New projects acquired after the end of Q3*7

Project	Customer		Project *1*2*3	Project Expected period *1*2*3
AxelLiner Business (AL Lab)	Government agencies	JAXA (Space Strategy Fund)	Technology to Enhance Capability of Next Generation Earth Observation Satellites*8	Up to approximately 6 years from fiscal year ending May 2027

*1: For contracted projects, revenue may not be recorded at the anticipated time due to circumstances such as project failure or cancellation. In addition, projects are normally renewed on an annual basis (although multi-year contracts may occur), and if the project itself is canceled, the contract may not be renewed. Furthermore, if a project is suspended due to stage-gate review (interim evaluation) or other circumstances, revenue for the uncontracted portion from that point onward may not be recorded. Additionally, for uncontracted portions, even if a contract is concluded, the actual timing of orders may differ significantly. This page also contains forward-looking information. Please refer to page 64 for assumptions, limitations, constraints, and risks regarding forward-looking information.

*2: If a project is suspended due to stage-gate review (interim evaluation) or other circumstances, revenue for the uncontracted portion from that point onward may not be recorded. Additionally, for uncontracted portions, since this is the current estimate of the project timing, even if a contract is concluded, the timing may differ significantly from the actual order timing. This page also contains forward-looking information. Please refer to page 64 for assumptions, limitations, constraints, and risks regarding forward-looking information.

*3: For contracted projects, revenue may not be recorded at the anticipated time due to circumstances such as stage-gate review (interim evaluation), project failure, or cancellation. In addition, this is a project with annual contract renewals, and if the program itself is canceled, the contract may not be renewed.

*4: Please refer to page 8 for project overview, and pages 35-36 for project details and project image.

*5: Please refer to page 35 and " Notice Regarding Recording of Non-operating Income (Subsidy Income) " published on November 7, 2025. This project was implemented by the Ministry of Economy, Trade and Industry in FY2021-2022, and was transferred to NEDO from FY2023-2026. The subsidy ceiling is notified annually, and disbursement has been decided up to NEDO's fiscal year 2026. Income from this project is recorded as non-operating income (income from subsidies).

*6: Please refer to page 37 and " Notice Regarding Contract Execution for Provision of In-orbit Demonstration Services with Pale Blue Inc. " published on December 16, 2025.

*7: The projects in this item are not included in the order backlog as of the end of Q3.

*8: Please refer to page 38 and the "Announcement of Selection for Phase II of the Japan's "Strategy Fund "Technology to Enhance Capability of Next Generation Earth Observation Satellites" published on March 27, 2026.

AxelLiner Business Progress: Major Projects

Recording revenue primarily from the current major project “K Program.”

NEDO / Key and Advanced Technology R&D through Cross Community Collaboration Program (K Program)

Project Overview	Development and demonstration of inter-satellite optical communication network systems
Project Budget	**Maximum 60 billion yen**[*1]
Implementing Organizations	**Axelspace Corporation**, Space Compass Corporation, NICT, NEC Corporation
Objective	・ Establish satellite optical communication network technology for building global space communication infrastructure ahead of the world. ・ Gain technological superiority in the global market and take a leading position in rule-making, etc.
Axelspace’s Role	・ Development of small LEO satellites, Earth observation satellites, and optical communication network control systems.

[Project Overview]

- A project aimed at research and development of technology that enables the provision of data communication and data processing services with high capacity and low latency.
  (See page 8 for project details and page 36 for project image)
- Accounted for 76.9% of consolidated revenue in Q3 of FY Ending May 2026.
- Revenue is recorded using the percentage-of-completion method.
  (see page 54 for recording image)

[Order Backlog] (As of the end of Q3 of FY Ending May 2026) 8,799 million yen

- Order backlog for service provision contracts through March 2029 within the project period through NEDO's fiscal year 2031.

NEDO / Development and Demonstration of General-Purpose CubeSat and Microsatellite Buses

Project Overview	Demonstration of One-Stop Service of Small Satellite Constellation
Project Budget	**Maximum 5.28 billion yen**[*1]
Implementing Organizations	**Axelspace Corporation,** Synspective Inc.
Objective	・ Securing domestic capability to build microsatellite constellations.
Axelspace's Role	・ Versatile satellite bus development, in-orbit demonstration of 100kg-class satellites.

[Project Overview]

- A subsidy project for demonstration of design standardization, manufacturing efficiency, and operation autonomy and automation in anticipation of mass production of microsatellites.
- In Q2 of FY Ending May 2026, upon completion of FY 2024 inspection, 487 million yen was recorded as subsidy income in non-operating income.

[Order Backlog] (As of the end of Q3 of FY Ending May 2026) 1,296 million yen

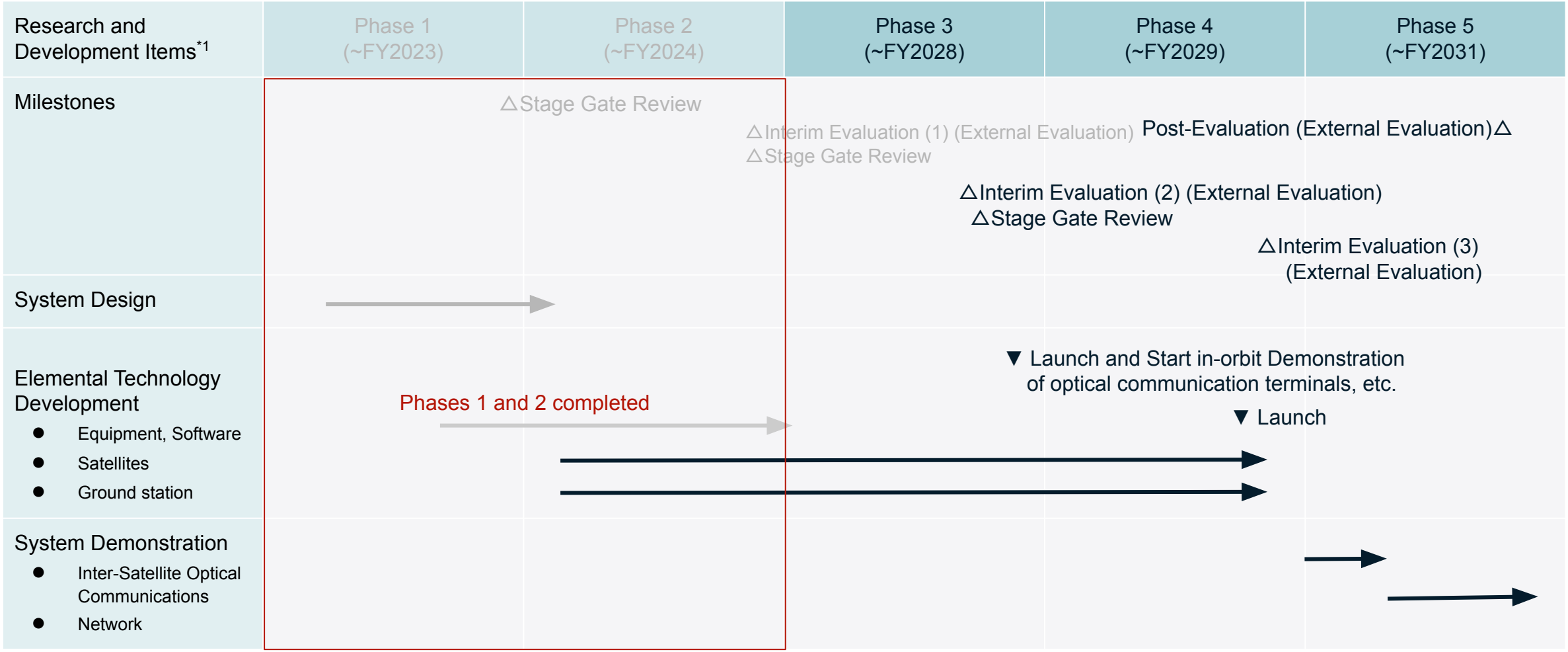
- This project has been approved through FY2026 under a system in which the annual subsidy cap is announced each year.
- Subsidies from this project is recorded as non-operating income (subsidy income). The amount is calculated at a subsidy rate of two-thirds of the eligible expenses for this project.

*1: Represents the overall project scale and is not the order amount received by Axelspace.

Source: Company websites and public materials. This page contains forward-looking information. Please refer to page 64 for assumptions, limitations, constraints, and risks regarding forward-looking information.

Progress of “K Program”

Currently in the Phase 3 of research and development.
Development of elemental technologies such as satellites and ground stations is progressing toward in-orbit demonstration.



*1: The fiscal years shown in this section refer to NEDO's fiscal year (April 1 to March 31 of the following year).
Source: Prepared by the Company based on the Cabinet Office and Ministry of Economy, Trade and Industry's "Research and Development Concept (Project Type) for Development and Demonstration of Satellite Constellation Infrastructure Technologies such as Optical Communications" (October 2022 (revised April 2025))

Progress of "AxelLiner Laboratory" (AL Lab)

New contract secured for in-orbit demonstration service "AL Lab" aimed at promoting space utilization including private enterprises.

Entered into a Service Provision Contract with Pale Blue, Inc., A Component Manufacturer for Microsatellites

Overview of This Project [*1]

Customer	Pale Blue, Inc. (Development, manufacturing, and sales of thrusters (engines) for small satellites)
Demonstration Target	Fast-Start Hall Thruster "PBH-100" · A thruster for 50-200kg class satellites that achieves both high thrust and high specific impulse. · Features significantly shortened startup time compared to conventional small satellite Hall thrusters, maximizing the operating time of satellite mission equipment.
Demonstration Period	2027
Contribution of Axelspace	In addition to providing demonstration opportunities through AL Lab, Axelspace will support this demonstration by leveraging knowledge gained from its position as a user of satellite components.



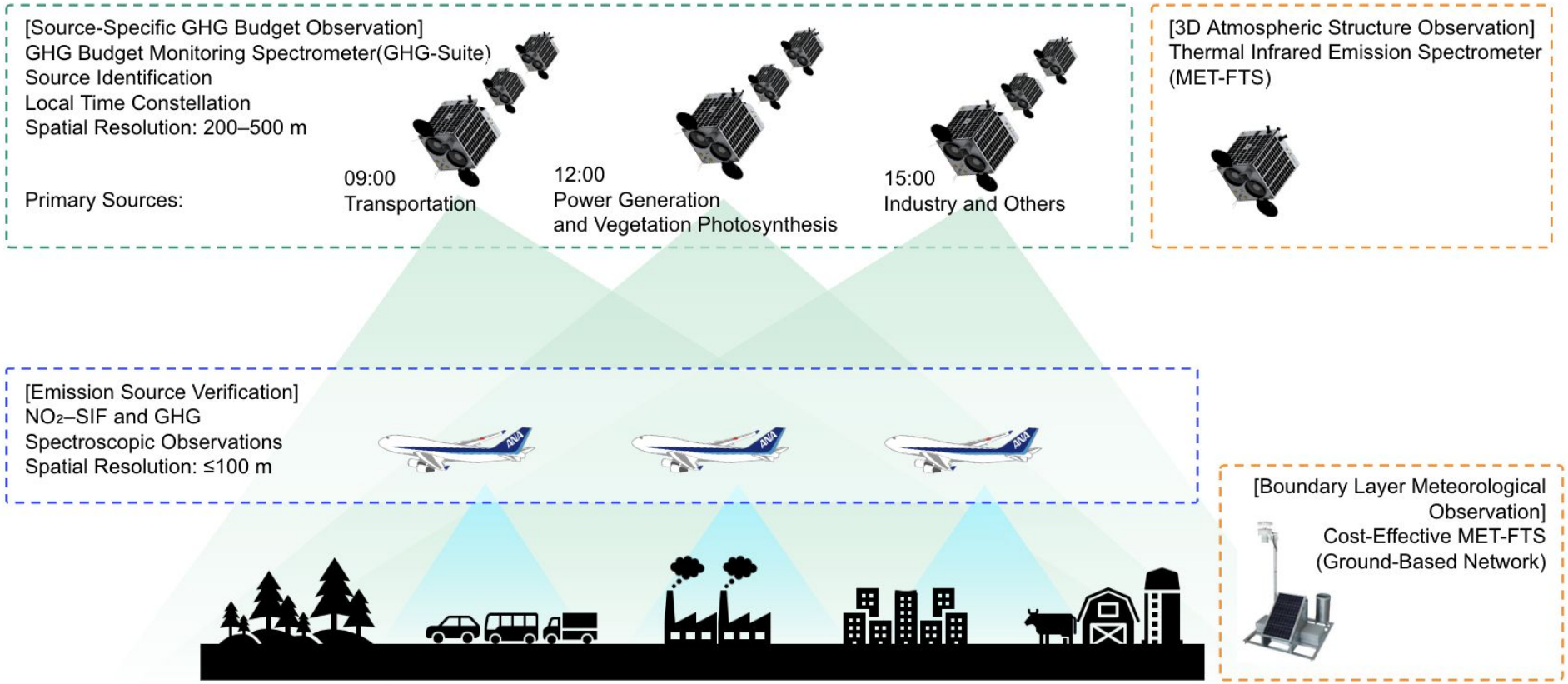
Jun Asakawa (left), Representative Director of Pale Blue, and Yuya Nakamura, President and CEO of the Company

*1: For project details, please refer to "Notice of Signing a Service contract for In-Orbit Demonstration with Pale Blue Inc. " released on December 16, 2025.

AxelLiner Business Progress: Space Strategy Fund

Selected for the technology development theme "Technology to Enhance Capability of Next Generation Earth Observation Satellites" under the Space Strategy Fund solicited by JAXA.
In collaboration with partner organizations and supporting companies, we aim to address climate change challenges and develop solutions for new markets through source-specific CO2 emission and uptake monitoring using satellite constellations and aircraft.

(Conceptual diagram of technology development)



*1: For project details, please refer to "Announcement of Selection for Phase II of the Japan's Space Strategy Fund "Technology to Enhance Capability of Next Generation Earth Observation Satellites" released on March 27, 2026.

AxelGlobe Business Pipeline

For the AxelGlobe Business, with the contribution of the satellite constellation development and operation project, the order backlog as of the end of Q3 of the fiscal year ending May 2026 was 43,771 million yen.

Project	Customer		Major Projects*1*2*3	Project Expected period *1*2*3
AxelGlobe Business	Government agencies	Ministry of Defense	Satellite Constellation Project *4	Through FY May 2031
AxelGlobe Business	Government agencies	Ministry of Economy, Trade and Industry	Research and development of on-demand tasking for multiple satellites and data production/distribution technology	Through FY May 2027
AxelGlobe Business	Government agencies	Ministry of Defense	Image data acquisition (No. 11-2)*5	Through FY May 2026
AxelGlobe Business	Government agencies	Ministry of Agriculture, Forestry and Fisheries	FY2025 Survey and Development of Efficient Methods for Updating Field Polygons Using Administrative Record Information, etc. *6	Through FY May 2026
AxelGlobe Business	Government agencies	Geospatial Information Authority of Japan	Creation of the Latest Medium-Resolution Satellite Imagery for Change Detection in the FY 2025*7	Through FY May 2026

New Projects Acquired After the End of Q3 (Awarded/Pre-Contract Projects)*8

Project	Customer		Project*1*2*3	Project Expected period *1*2*3
AxelGlobe Business	Government agencies	JAXA (Space Strategy Fund)	Implementation of Satellite Data Utilization System: (B) Establishing Foundations for Overseas Deployment	Up to 5 years
AxelGlobe Business	Government agencies	JAXA (Space Strategy Fund)	Implementation of Satellite Data Utilization System: (C) Developing Mechanisms for Satellite Data Application Systems to Gain Satellite Data Solution Businesses	Scheduled through the end of September 2030

*1: For contracted projects, revenue may not be recorded at the anticipated time due to circumstances such as project failure or cancellation. In addition, projects are normally renewed on an annual basis (although multi-year contracts may occur), and if the project itself is canceled, the contract may not be renewed. Furthermore, if a project is suspended due to stage-gate review (interim evaluation) or other circumstances, revenue for the uncontracted portion from that point onward may not be recorded. Additionally, for uncontracted portions, even if a contract is concluded, the actual timing of orders may differ significantly. This page also contains forward-looking information. Please refer to page 64 for assumptions, limitations, constraints, and risks regarding forward-looking information.

*2: If a project is suspended due to stage-gate review (interim evaluation) or other circumstances, revenue for the uncontracted portion from that point onward may not be recorded. Additionally, for uncontracted portions, since this is the current estimate of the project timing, even if a contract is concluded, the timing may differ significantly from the actual order timing. This page also contains forward-looking information. Please refer to page 64 for assumptions, limitations, constraints, and risks regarding forward-looking information.

*3: For contracted projects, revenue may not be recorded at the anticipated time due to circumstances such as stage-gate review (interim evaluation), project failure, or cancellation. In addition, this is a project with annual contract renewals, and if the program itself is canceled, the contract may not be renewed.

*4: Please refer to page 13 and (Update on a Previously Disclosure) Notice Concerning the Award of a Contract for the Ministry of Defense's "Satellite Constellation Project" published on February 20, 2026.

*5: Ministry of Defense Intelligence Headquarters "FY2024 Contract Bidding Information No. 256 Image Data Acquisition (No. 11-2)".

*6: Please refer to "Notice Regarding Successful Bid in General Competitive Bidding (Ministry of Agriculture, Forestry and Fisheries)" published on September 19, 2025.

*7: Please refer to "Notice Regarding Successful Bid in General Competitive Tender (GSI)" published on January 21, 2026.

*8: Projects under this item are not included in the order backlog as of the end of Q3.

Projects We Aim to Acquire Going Forward

As projects to be pursued, there are projects that will significantly contribute to our growth

Business	Customer		Project *1*2*3	Project Expected Period *1*2*3
AxelLiner Business (AL Lab)	Private companies	Selected companies	Space Strategy Fund 1st phase "Development/verification of parts/components for establishing satellites supply chain." *2	Up to 6 years
AxelLiner Business (AL Lab)	Government agency	JAXA	JAXA Space Technologies rapid Evaluation Program on Small satellite (JAXA-STEPS)*3	Before announcement
AxelLiner Business	Government agency	JAXA	Space Strategy Fund 2nd phase Technology Development Theme*4	Varies by theme
AxelLiner Business	Government agency	JAXA	Space Strategy Fund 3rd phase Technology Development Theme*5	Varies by theme
AxelGlobe Business	Government agency	JAXA	Space Strategy Fund 3rd phase Technology Development Theme*5	Varies by theme

*1: If a project is suspended due to stage-gate review (interim evaluation) or other circumstances, revenue for the uncontracted portion from that point onward may not be recorded. This page also contains forward-looking information. Please refer to page 64 for assumptions, limitations, constraints, and risks regarding forward-looking information.

*2: This theme is not one for which the Company itself is selected, but is recognized as a project that the Company aims to secure from the perspective that the demonstration needs of selected companies can become customer targets for AL Lab. Although discussions regarding in-orbit demonstration support have already begun with multiple customer targets, at this point these are verbal discussions in the initial stage and contracts have not been concluded, and there is no guarantee that orders will actually be received. Even if a contract can be concluded, the timing in the table is calculated based on the Company's current project plan, so revenue may not be recorded at the timing the Company anticipates.

*3: As of the publication date of this material, since the planned procurement of hosted payload services has been announced to provide demonstration opportunities for research and development/demonstration targets in this program, this is listed as a project that the Company, which has a track record in microsatellite development in Japan, can sufficiently pursue. At this point, a request for information has been made for this project, and there is no guarantee that an order will actually be received.

*4: This theme is not one for which the Company itself is selected, but is recognized as a project that the Company aims to secure from the perspective that the technology development needs of selected companies may become customer targets for the AxelLiner business. Although discussions have already begun with multiple potential customer targets, at this point these are verbal discussions in the initial stage and contracts have not been concluded, and there is no guarantee that orders will actually be received. Even if a contract can be concluded, the timing in the table is calculated based on the Company's current project plan, so revenue may not be recorded at the timing the Company anticipates.

*5: Details of this project are not disclosed. At this point, the project is either in the process of public solicitation or in the pre-solicitation phase, and there is no guarantee that an order will actually be received. Even if a contract can be concluded, the timing in the table is calculated based on the Company's current project plan, so revenue may not be recorded at the timing the Company anticipates. Details regarding application status and examination content for individual public offering projects (including the Space Strategy Fund) are not disclosed at this time.

Source: JAXA website "JAXA Space Strategy Fund", "JAXA Space Technologies rapid Evaluation Program on Small satellite"

IR Activities

note Magazine

Axelspace within Your Reach

We compile information to help you feel microsatellites and space



We also disseminate information on social media

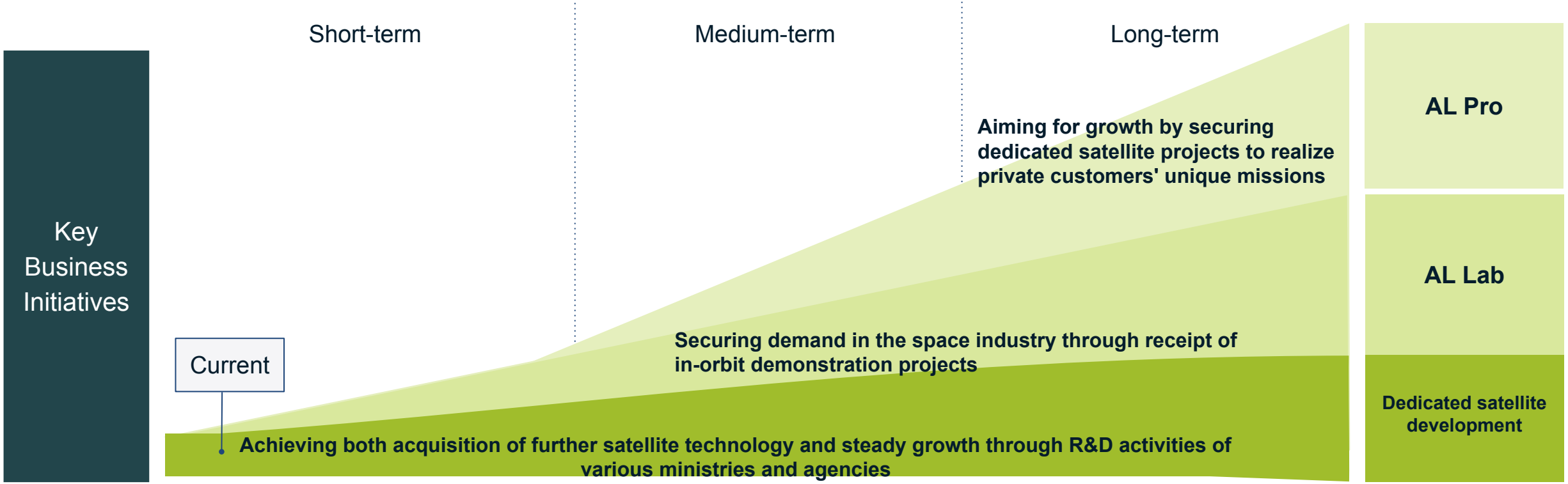
▶▶▶



Initiatives for Sustainable Growth

Medium to Long-term Growth Vision of AxelLiner Business*1

Aiming for technology development through R&D activities of various ministries and agencies and demand acquisition from private companies

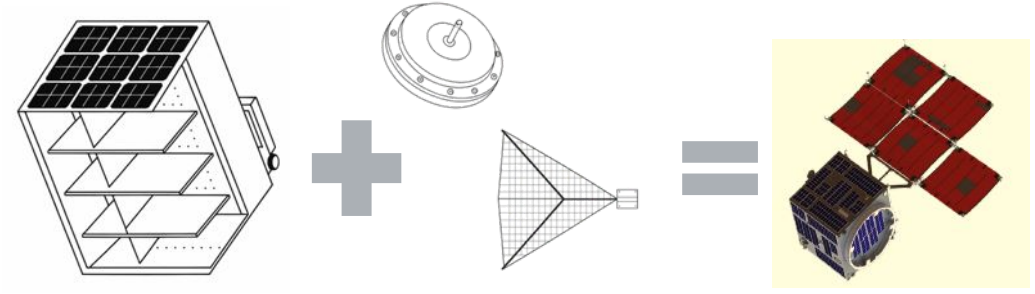


*1: This is a medium- to long-term growth image of the AxelLiner Business and may differ from actual results.

Future Growth of AxelLiner Business : Expanding Services Utilizing Versatile Microsatellite Bus

By utilizing the versatile microsatellite bus, the Company aims to achieve launches in as short as one year, promoting the entry of private companies into the space business

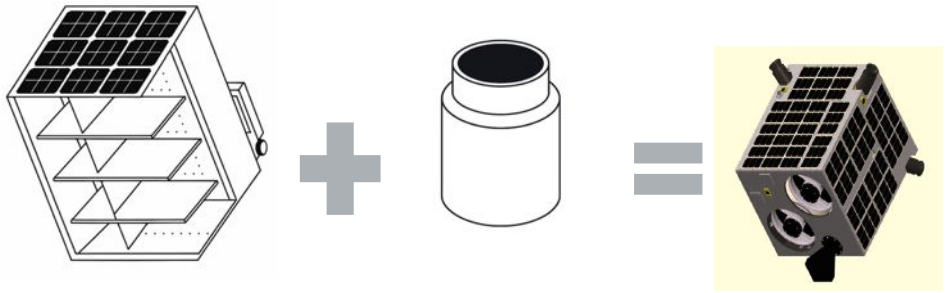
AxelLiner Laboratory ("AL Lab")



Versatile Satellite Bus | Multiple demonstration target devices | Technology Demonstration Satellite

Supporting in-orbit demonstration of space components

AxelLiner Professional ("AL Pro")



Versatile Satellite Bus | Mission Equipment | Dedicated Satellite

Supporting the development of dedicated satellites to realize customers' unique missions

Future Growth of AxelLiner Business: AxelLiner Laboratory (AL Lab)

We utilize the technology developed through government-related projects in private sector projects. We provide new services for customers who want to conduct operational verification (in-orbit demonstration) in space.

Needs for In-Orbit Demonstrations in Private Sector

The space industry is expected to grow significantly, but there is **a shortage of services for in-orbit demonstration of space components**. Japanese companies are also involved in this problem.



Space Components Development Companies

Desire to quickly connect newly developed space components to sales

However, without a track record of operation in space, customers will not purchase

Companies want to conduct operational experiments in space, but there are almost no opportunities

Government Support for In-Orbit Demonstration Needs by Private Sector

Rapid expansion of the needs for in-orbit demonstrations is predicted in global.

Japan

Under the Space Strategy Fund[*1], multiple themes related to in-orbit demonstration of satellite components have been selected.

- In the first phase, the project titled “Development/Verification of Parts/Components for Establishing Satellites Supply Chain”[*2] was selected (total support amount: 18.0 billion yen), with 13 companies selected including those from additional public solicitations.
- **In the third phase, the project titled “Development and Demonstration of Low-Cost, High-Frequency On-Orbit Demonstration Technologies Using Satellites to Expand Opportunities for On-Orbit Demonstration” was selected (total support amount: 4.8 billion yen).**

Overseas

- In 2018 and 2022, over 50 companies and organizations applied for funding under the framework for the in-orbit demonstration services provided by the European Space Agency (ESA).

AL Lab



Service Content	・ Providing in-orbit demonstration opportunities for space components
Value Proposition	・ Provide mission payload sections of our unique versatile satellite bus. ・ Enable ridesharing by carrying multiple missions, providing customers with more demonstration opportunities. ・ Customers can also choose to occupy a whole versatile satellite bus depending on the components they wish to demonstrate.

In 2026, we plan to conduct in-orbit demonstration with attitude control equipment (reaction wheel) jointly developed with Shinano Kenshi

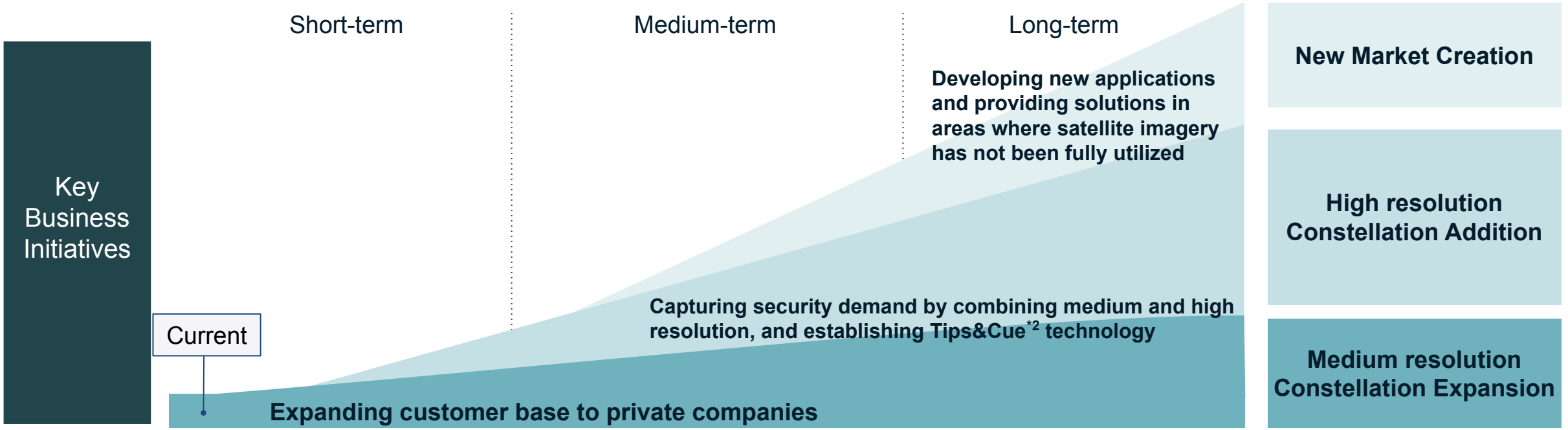




*1: This fund was established by the government at JAXA for the purpose of commercializing the space sector by private businesses.
*2: This theme does not involve the Company itself being selected; rather, the Company recognizes this as a related theme from the perspective that the demonstration needs of selected companies could become customer targets for AL Lab.
Source: Ministry of Economy, Trade and Industry and Cabinet Office "Space Strategy Fund Implementation Policy (METI Budget Allocation)" (April 26, 2024), JAXA "Progress Report on Space Strategy Fund Phase 1 (FY2023 Supplementary Budget Allocation)" (January 27, 2025) European Union HP "IOD / IOV In-Orbit Demonstration / In-Orbit Validation"

Medium- to Long-Term Growth Vision of AxelGlobe Business*1

Deploying 7 medium-resolution satellites and 3 high-resolution satellites. Aiming to create new markets utilizing these satellites.



*1: This is a medium- to long-term growth image of the AxelGlobe Business and may differ from actual results.
*2: Tips&Cue refers to the coordinated operation of medium-resolution satellites and high-resolution satellites, where points of interest are identified and extracted from wide-area, high-frequency observation data, and detailed observations of those points are conducted using high-resolution observation data.

Future Growth of AxelGlobe Business: Expansion of Proprietary Satellite Constellation

For the 7 medium-resolution optical satellites "GRUS-3" scheduled for launch in the fiscal year ending May 2027, flight models are currently under manufacturing. In addition to the 3 high-resolution satellites scheduled for launch in the fiscal year ending May 2028, we have decided to manufacture 2 additional high-resolution satellites.

<Value Proposition of GRUS-3>

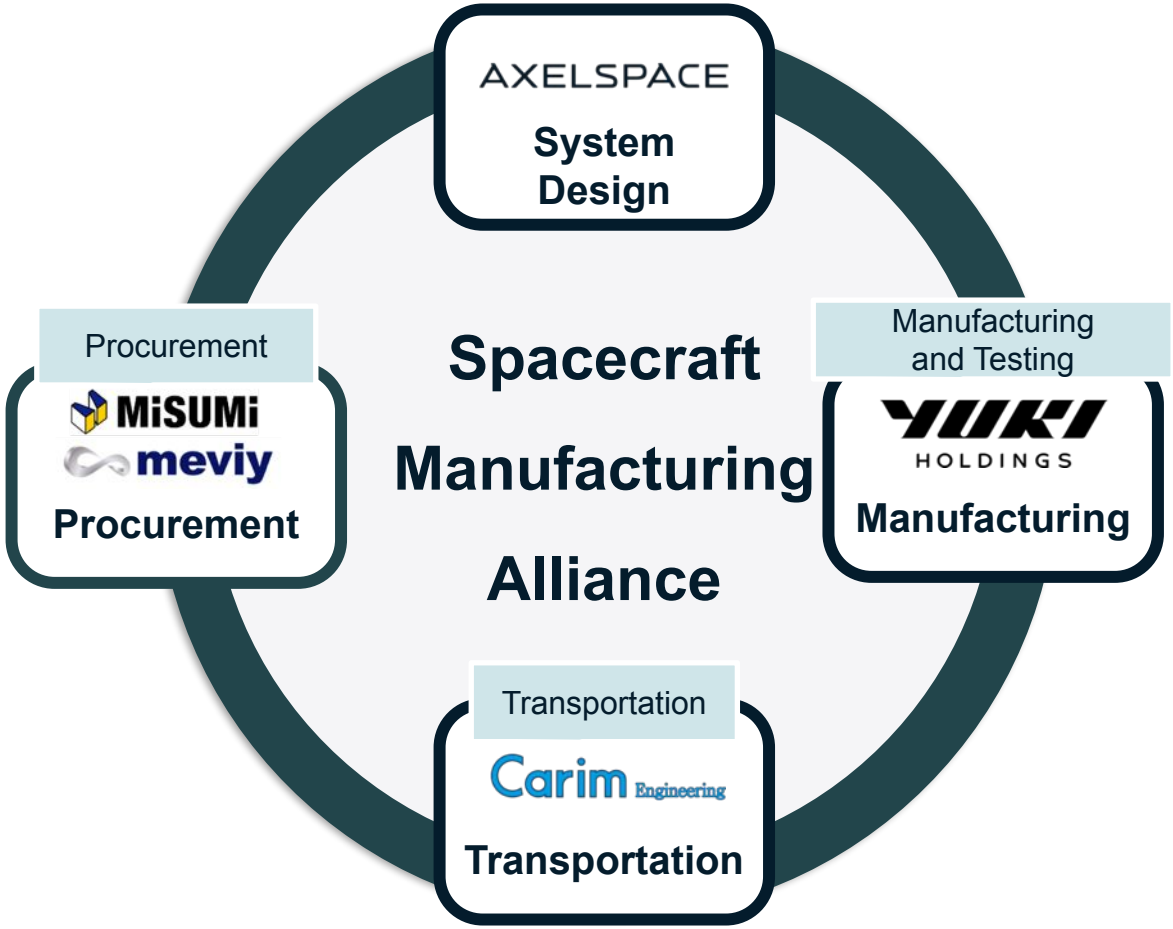
		GRUS-1 5 satellites	GRUS-3 7 satellites
Timing	• Useful for fixed-point observation of daily changes in crop growth conditions, urban land changes, etc. • Flexible response to emergency imaging such as during disasters	**Observation frequency of the same location** Imaging possible once every 2-3 days	**At approx. the same time Daily imaging possible*1**
Data Volume	• Increased options for data used in analysis • Wide-area observation data can be acquired in a shorter period	**Imageable Area** 750,000 km² per day	**2.3 million km² per day**
Ease of Use	• Improved image quality and additional observation bands meet more diverse analysis needs	**Observation Bands** Blue, Green, Red, Red Edge, Near-Infrared	Blue, Green, Red, Red Edge, Near-Infrared, **Coastal Blue**

*1: For locations at latitude 25 degrees north or higher

Note: The development and demonstration of the versatile satellite bus system carrying the missions of GRUS-3 and GRUS-3α are supported by the following grant program of the New Energy and Industrial Technology Development Organization (NEDO)."Space Industry Technology and Information Infrastructure Development R&D Project Development/verification of parts/components for establishing satellites supply chain." (FY2023-2026) *FY2021-2022 were implemented as direct execution projects by the Ministry of Economy, Trade and Industry.

Satellite Manufacturing Structure

In order to compete with the world with a sense of speed, we have established the “Spacecraft Manufacturing Alliance” to realize innovative mass production of satellites.We are currently working on mass production of the GRUS-3 next-generation satellite (7 medium resolution satellites).



Spacecraft Manufacturing Alliance

A partnership in which Axelspace and manufacturing companies leverage their respective strengths to quickly manufacture satellites

They also collaborate on reducing the environmental impact on Earth.

Pyramid structure with system companies at the top
No multi-tier subcontracting structure

Efficient manufacturing through rapid decision-making leveraging each company's strengths

Not premised on the mass production of a single product in a dedicated large-scale factory

Capable of manufacturing diverse satellites in parallel, flexibly responding to fluctuations in orders

Major Risk: Launch Service Provider (LSP) and Launch Failure Risk

Technological innovation led by the private sector is progressing. Rocket launch technology has matured, showing a very high success rate of launch at present. In addition, space insurance covers risks associated with missions.

LSP Selection Policy

- Regardless of whether the missions are of customers or our own, we estimate the development process and required period, and **determine the desired launch schedule from a relatively early stage**
- Through LSP agents and other means, we promptly identify providers who can offer launch services on the desired schedule
  - If the launch schedule can be secured, we quickly book the slot
- We are quite familiar with estimating the period required for development and operating the development, and as a result, we have never failed to book the schedule as desired
- Considering its **launch frequency and reliability**, currently we prioritize **SpaceX** as LSP

- As of now, the Company has secured a total of 13 satellite launch slots

Important LSP's Launch Records

- Given the track record, we mainly use **SpaceX's Falcon 9**
- At this point*1, Falcon 9 has an extremely **high success rate of 99.52%**
- In addition, **space insurance** usually covers risks associated with missions of both customers and our own
- Even if the satellite is lost due to a launch failure, the insurance will cover **the majority of the development and launch costs**

Falcon 9 Launch Record



Success Rate: 99.52%

*1: As of April 3, 2026
Source: SpaceXNow

Major Risk: Satellite Malfunction in Orbit

When a satellite in orbit malfunctions, we will work on recovery by leveraging our expertise in handling the entire process from satellite development to operation. Therefore, a malfunction does not necessarily lead directly to unavailability. Our recovery know-how will be reflected in the automatic operation system and will be used to resolve the issue in the future.

Past response to malfunction (GRUS-1E)

[Occurrence of malfunction]
The GRUS-1E, one of the five microsatellites in the AxelGlobe constellation, encountered an issue with its three-axis attitude control system, resulting in an increase in angular momentum (power to spin)

[Examination of the impact on customers]
We have confirmed that the remaining four microsatellites continue to operate normally and we can provide imagery data using these operational satellites

[Recovery work]
We reduced angular momentum by applying other attitude control method

[Recovery validation]
As a result of the check, we have confirmed that we are able to take imagery, communicate, and generate the imagery normally

[Resumption of commercial operation]
Through the above measures, completed recovery work to enable operation with the automated operation system, the same as the other four in-house satellites

Reflect GRUS-1E recovery know-how in the automatic operation system

Developed a function that enables image data acquisition with the automated operation system.

Announced the resumption of commercial operation on January 13, 2026 *1

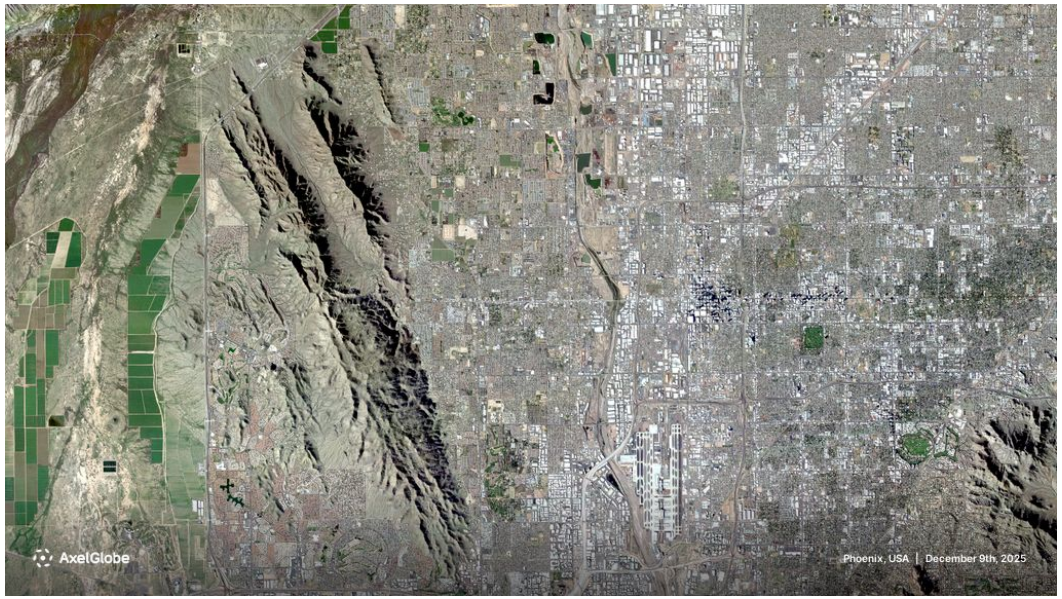


Image captured by GRUS-1E (Phoenix, Arizona, United States of America)

*1: For details, please refer to " Notice of Resumption of Commercial Operation of AxelGlobe Business Microsatellite "GRUS-1E" " released on January 13, 2026.

Sustainability Initiatives



Initiatives for sustainability throughout the entire satellite lifecycle, from satellite development to In-orbit operation and disposal.

- Sustainability for Earth: Reducing environmental impact on Earth in satellite manufacturing
- Sustainability for Space: Sustainability of the In-orbit environment, including space debris

Design

Design to ensure no remnants remain upon re-entry when selecting materials and determining shapes

Manufacturing

Establish common guidelines within the Alliance for procurement and manufacturing processes

Operation

Conduct active collision avoidance operations in orbit and actively disclose information

Disposal

Dispose of satellites out of orbit with the highest possible success rate and in the shortest period after end of operation



Revenue Recognition Criteria

Illustrative Long Term Cost Structure*1

This is an image and is subject to change

AxelLiner Business

Revenue

Cost of sales

Business model that secures positive gross profit
Aiming for approximately 40% gross profit margin per project

Cost of sales
- Major Costs (satellite manufacturing costs, launch costs, operation costs)
  *See details below

Selling, General and Administrative Expenses

SG&A Expenses
- Personnel Expenses
- Research and Development Expenses
- Insurance Premiums

AxelGlobe Business

Revenue

Square Area × Unit Price per Area

Variable Costs

Business model with low variable costs
Aiming for 90-95% gross profit margin

Fixed Costs

Variable Costs
- Server Usage Fees
- Fees paid to sales consignment partners

Fixed Costs (remain at a constant level after launch)
- Major cost (Manufacture, launch, and operating cost)
- Personnel Expenses
- R&D Expenses
- Satellite Operation Costs
- Other Expenses

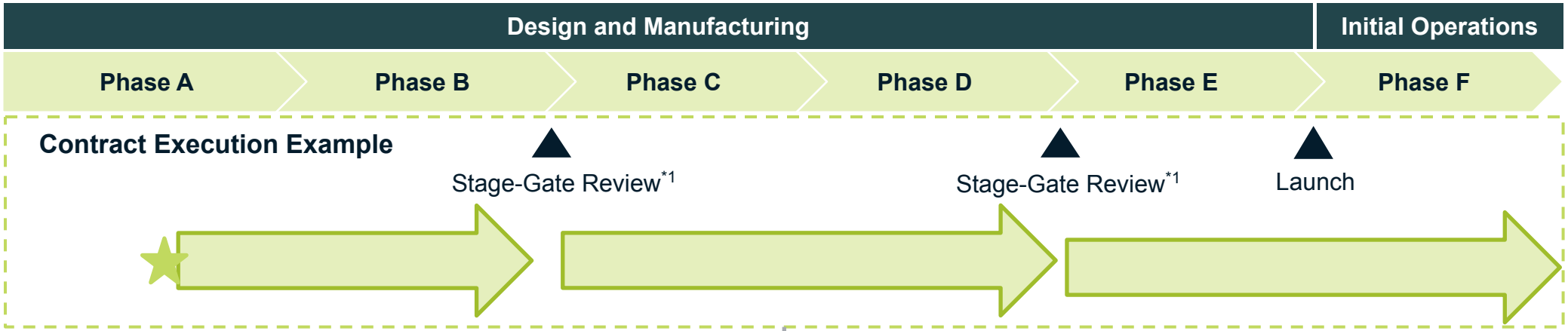
Reference: Current cost per satellite Manufacturing Cost (approximate) *2	=	Satellite Manufacturing Cost *2	+	Launch Cost *2	=	**Approximately 700 million yen**	(Reference) Satellite Operation Cost *3
		350 million yen		350 million yen			50 million yen/year

*1: The above shows the long-term revenue and cost structure in the event that the business continues smoothly, and may differ significantly from actual sales and costs, and does not represent forecasts or estimates regarding future performance. In addition, there is no guarantee that the breakdown, revenue, and cost structure of the above examples will be realized in the future.
*2: The level of medium-resolution satellites currently in operation by the Company. Commercial satellites are assumed to be depreciated on a straight-line basis over 5 years.
*3: Composed of ground station usage fees, data storage costs, operational personnel expenses, etc.

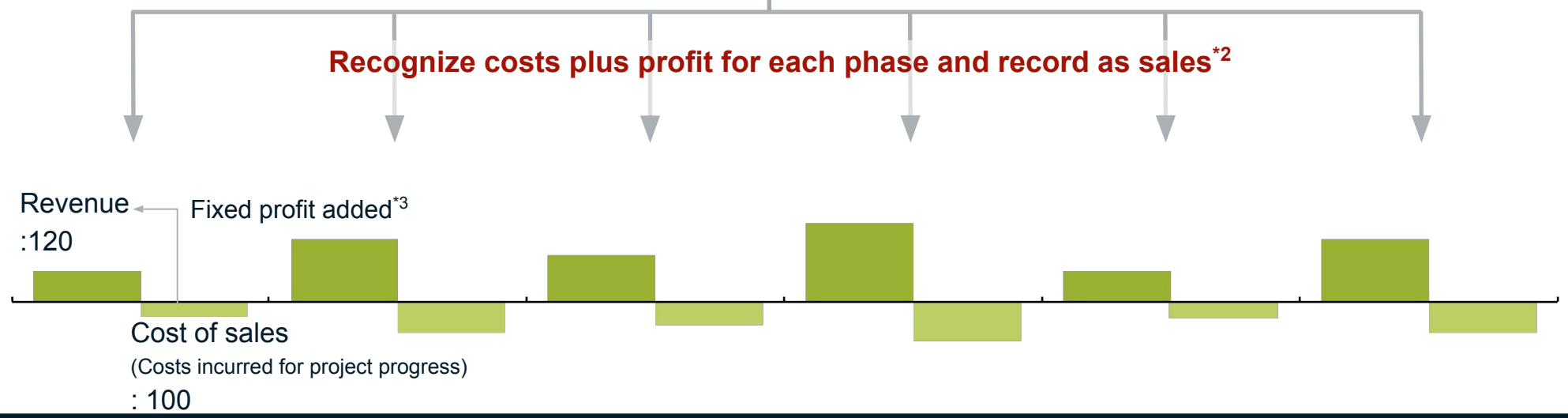
AxelLiner Business: Revenue Recognition Method (Progress Image)

For government-related projects with long project periods, revenue is recognized based on the progress toward satisfaction of performance obligations

Project Contract Image Diagram



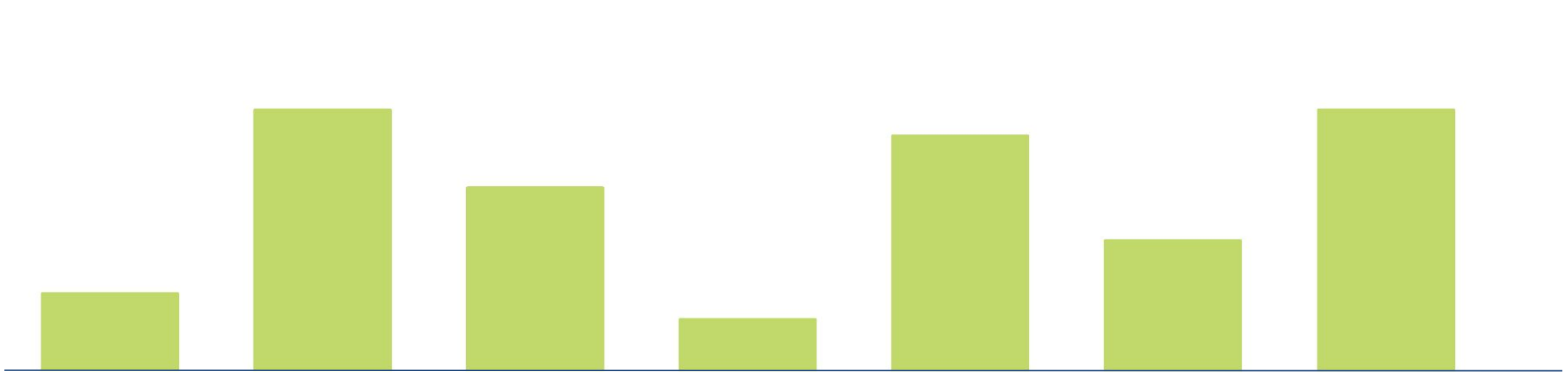
Revenue and Cost Image Diagram*2



*1: In government-related development projects, if a project is suspended due to interim evaluations or stage-gate reviews, which are common, there is a possibility that the remaining revenue from that point onward will not be recognized.
*2: For simplification purposes in this image diagram, the graph is created without considering the profit that is actually added to costs, and the cash flow and revenue amounts recognized in each phase may differ from actual projects.
*3: The profit margin varies by project and is shown as an image.

Illustration of Cost Incurred by Project Progress (K Program)

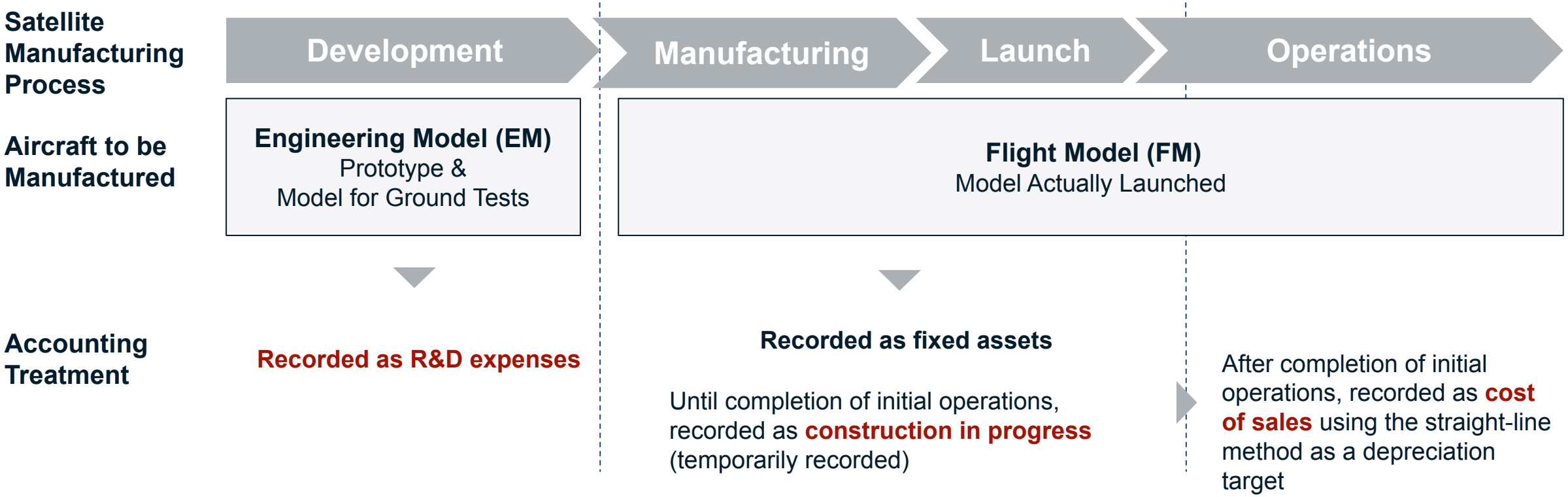
Cost of sales tends to increase during the material procurement phase and decrease during the design, manufacturing, and testing phases.

Project Progress (diagram)	Design	Materials Procurement	Engineering Model (EM) Manufacturing & Testing	Design Review (as needed)	Materials Procurement for Flight Model (FM)	FM Manufacturing & Testing	Launch
Cost of Sales Incurrence (diagram)* 1							

*1: This is an image of the costs recognized in each phase of project progress, and may differ from the actual amounts incurred in actual projects.

AxelGlobe Business: Accounting Treatment of Company-owned Satellites

- For company-owned satellites primarily used for the AxelGlobe business, the method of expense recognition varies depending on the progress of the development and operational phases.
- The cost of EM manufacturing is recorded as R&D expenses.
- Costs incurred for the manufacturing of FM are capitalized as construction in progress and, after completion of the initial operational phase, are subject to depreciation.



Main Assumptions for Financial Forecast*1

AxelLiner Business

Revenue

- There are contracts that recognize revenue over the service provision period stipulated in the contract and contracts that recognize revenue at the time of customer acceptance completion for the service
- Revenue forecast is primarily composed of revenue from NEDO's K Program and private companies planning to use AL Lab
- The K Program is calculated by multiplying the cost of sales, such as material costs/ expenses incurred according to progress, by a fixed margin rate stipulated in the contract

Cost of sales, Gross profit

- Cost of sales primarily includes material costs/expenses and personnel costs for NEDO projects
- Personnel costs are calculated based on the personnel plan for each project, using the number of Headcount × average personnel cost per person
- Material costs/expenses are estimated and calculated based on the development schedule by estimating the quantity of necessary materials/services and purchase unit prices

[Note: Non-operating income]

- Adopted for NEDO "Development and Demonstration of General-Purpose CubeSat and Microsatellite Buses (NEDO Fiscal Years 2023–2026)"
  The expected subsidy amount is calculated based on the planned expenditure amount for the project and reflected in the financial forecast after considering the settlement and inspection period

AxelGlobe Business

Revenue

- Revenue is recorded primarily by concluding contracts for image capture services, performing the requested image capture and providing data to customers.
- Revenue forecast is calculated by multiplying the order amount for each project in the order plan by customer and by month by a weighting factor according to the order probability.
- The order amount for each project is estimated by multiplying the expected imaging area by the sales unit price. The weighting factor is set according to the sales progress of each project.

Cost of Sales, Gross Profit

- Cost of sales primarily includes expenses related to image data acquisition, data processing, and personnel costs.
- Expenses primarily include server costs for storing captured image data, communication costs between satellites and ground stations, and outsourcing costs.

*1: For details on the process of formulating the earnings forecast, please refer to " Notice Regarding the Company's Financial Information in Connection with Listing on the Tokyo Stock Exchange Growth Market "(Japanese only) published on August 13, 2025.


Olympic Winter Games, Cortina d'Ampezzo, Italy | February 10th, 2026

Appendix

Company Overview

Company Name	Axelspace Holdings Corporation
Location	3-3-3 Nihonbashi Honcho, Chuo-ku, Tokyo
Establishment	Established in March 2020 *Predecessor company, Axelspace Corporation, was established on August 8, 2008
Capital	Consolidated 4,067 million yen (as of September 10, 2025)
Total Number of Issued Shares	66,390,000 shares (as of September 10, 2025)
Number of Employees	Group Total: 182 (as of end of May 2025)
Directors	• President and CEO, Yuya Nakamura • Director, General Manager of Business Administration Department (CFO), Daigo Orihara • Director, General Manager of Communication Promotion Department (CHRO), Makiko Hamada • Outside Director, Tomihisa Kamada • Outside Director, Chiaki Mukai • Outside Director, Masanori Sugiyama







History

As the first Japanese startup to receive a contract from JAXA for satellite development, the Company has a track record of designing, manufacturing, and operating 11 microsatellites since its founding. Steadily expanding business in line with technology accumulation and changes in social needs.

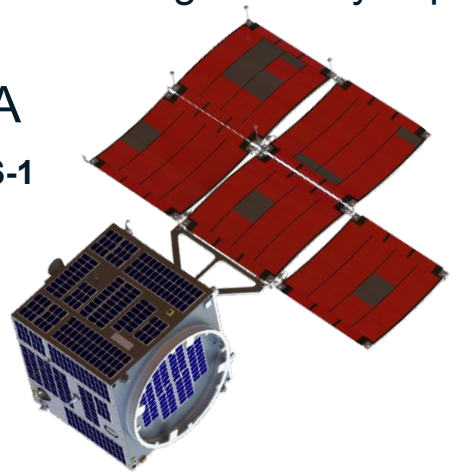
WNISAT-1
2013



WNISAT-1R
2017



RAPIS-1
2019



PYXIS
2024



Hodoyoshi-1
2014



GRUS-1A
2018



GRUS-1B,C,D,E
2021

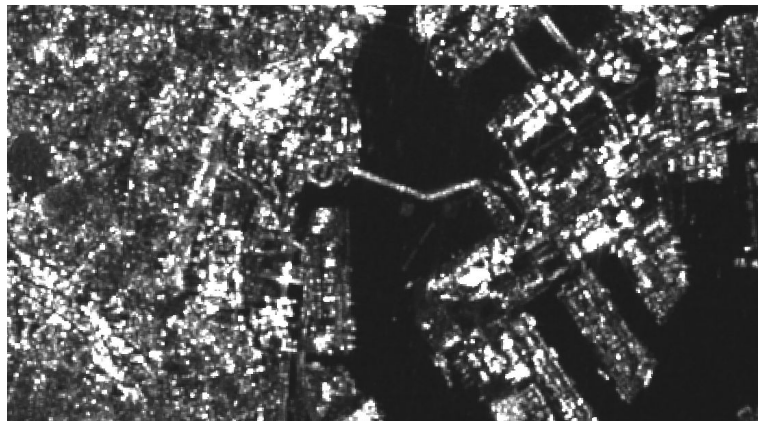


GRUS-3α
2025



Business Domain of AxelGlobe Business: Optical Satellites and SAR Satellites

Optical satellites handled in the AxelGlobe Business are characterized by high imaging frequency and wide imaging range.

	Optical Satellites	SAR Satellites
Data usability	○ ・Color images ・Can be easily handled without specialized knowledge  Image captured by the Company's satellite "GRUS-1" Tokyo (Japan)	△ ・Monochrome and difficult to interpret with the human eye ・Specialized knowledge required for data handling  Source: Copernicus Browser "Sentinel-1 IW, VH - linear gamma" (Copernicus Sentinel data 2025)
Imaging Area *1	**Wide** Axelspace's GRUS-1 imaging capacity per satellite per day: 150,000 km²	Narrow Domestic SAR satellite operator Company A's maximum salable area per day: 1,200 km² *2
Manufacturing Cost *3	**Low**	High

*1: Area that can be imaged per satellite per day. This is a comparison assuming similar satellite sizes.
*2: Calculated by the company from disclosed materials of domestic SAR satellite operator Company A.
Calculation formula: 10 km (imaging range in high-resolution mode) × 3 km (imaging width in high-resolution mode) × 40 images (salable images per day).
*3: Comparison of microsatellite manufacturing costs between domestic SAR microsatellite operators and Axelspace. Axelspace's manufacturing costs are described on page 53.

Business Domain of AxelGlobe Business

Among the many Earth observation satellites, Axelspace operates in the optical satellite field.

<What are optical satellites?>

Satellites that observe the Earth's surface from information of sunlight reflected off objects.

Satellites equipped with optical sensors that photograph the ground using the sun as a light source, similar to ordinary digital cameras.



Characteristics of Optical Satellites

- Low power consumption as they do not emit radio waves themselves and perform observation by reception.
- Due to low power consumption, it is possible to maintain a wide area captured per satellite per day and keep observation frequency high.
- Areas obscured by clouds cannot be observed.

Image captured by Axelspace's microsatellite "GRUS-1" - Suez Canal (Egypt)

Glossary *1

Term	Description
Bus (Satellite bus)	A generic term for the equipment (bus equipment) necessary for basic satellite functions (communications, power supply, attitude control, etc.) and the satellite's main structure.
Mission	The purpose of the satellite. In the case of an optical earth observation satellite, optical earth observation is the mission, and the telescope and imagery system correspond to mission equipment.
Component	Various types of equipment, such as computers and communication equipment, that make up the satellite.
Payload	Payloads on board satellites. Mission equipment such as scientific instruments and experimental devices are loaded.
MicroSat	Small satellites that weigh from approx. 100kg to several millions kg. Small satellites that weigh several kg are called “CubeSat”.
JAXA	Japan Aerospace Exploration Agency.
NASA	National Aeronautics and Space Administration.
ESA	European Space Agency.
Feasibility Study (FS)	Preliminary investigation and study of project feasibility.
LEO	Low Earth Orbit.
LSP	Launch Service Provider that provides rocket launch service business, such as SpaceX.
Ground resolution	Ability to measure or identify objects with observation equipment such as earth observation satellites. The distance that one side of a pixel, the smallest unit that makes up an image, corresponds to on the ground.
Medium resolution	A ground resolution of ＞1m、≦approx.10m.
High resolution	A ground resolution of ≦1m.
SAR	Synthetic Aperture Radar.
Tips & Cue	A system that uses trigger information (Tips) obtained from imagery from medium resolution satellites as hints to send signals (Cues) to high resolution satellites to observe a specific, narrow area at high resolution.
SSA	Observation and identification of objects in satellite orbits, including artificial satellites and space debris (Space Situational Awareness).

*1: In this material, these are definitions of terms used in explaining the Company's business, and do not necessarily indicate objective definitions, and also include terms for which there is not necessarily a common understanding of strict definitions.

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