

Translation

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Consolidated Financial Results for the Fiscal Year Ended March 31, 2025 [Japanese GAAP]

May 9 2025

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 Scheduled date for filing May 9, 2025 Scheduled date for commencing -
 quarterly securities report: dividend payments:
 Preparation of supplementary materials on quarterly Yes
 financial results:
 Holding of quarterly financial results briefing session: Yes (for institutional investors and analysts)

(Amounts are rounded down to the nearest million yen, unless otherwise stated)

1. Consolidated Financial Results for the Fiscal Year Ended March 31, 2025

(from April 1, 2024 to March 31, 2025)

(1) Consolidated Operating Results (Cumulative)

(Percentage figures represent year-on-year changes)

	Net sales		Operating income (loss)		Ordinary income (loss)		Net income (loss) attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Fiscal year ended March 31, 2025	4,743	101.2	(9,795)	—	(11,334)	—	(11,945)	—
Fiscal year ended March 31, 2024	2,357	138.3	(5,501)	—	(6,097)	—	(2,366)	—

(Note) Comprehensive income

Fiscal year ended March 31, 2025: -10,398Millions of yen (-%)

Fiscal year ended March 31, 2024: -3,071Millions of yen (-%)

	Basic net income per share	Diluted net income per share	Ratio of net income to shareholders' equity	Ordinary profit to total assets ratio	Operating profit to net sales ratio
	Yen	Yen	%	%	%
Fiscal year ended March 31, 2025	(124.32)	-	(143.5)	(41.8)	(206.5)
Fiscal year ended March 31, 2024	(29.05)	-	(65.8)	(35.6)	(233.4)

(Note) Diluted net income per share is not presented, as the Company recorded a basic net loss per share.

(2) Consolidated Financial Position

	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
	Millions of yen	Millions of yen	%	yen
Fiscal year ended March 31, 2025	27,189	7,007	25.4	65.10
Fiscal year ended March 31, 2024	27,033	9,745	36.0	104.63

(Reference) Equity

Fiscal year ended March 31, 2025: 6,898Millions of yen

Fiscal year ended March 31, 2024: 9,744Millions of yen

(3) Consolidated Cash Flow

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at the end of period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Fiscal year ended March 31, 2025	(12,049)	(2,671)	10,423	13,117
Fiscal year ended March 31, 2024	(5,024)	(2,062)	20,366	16,832

2. Cash Dividends

	Annual dividends per share					Total dividends	Payout ratio (consolidated)	Dividends to net assets (consolidated)
	End of 1st quarter	End of 2nd quarter	End of 3rd quarter	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Fiscal year ended March 31, 2024	—	—	—	0.00	0.00	—	—	—
Fiscal year ended March 31, 2025	—	0.00	—	0.00	0.00	—	—	—
Fiscal year ending March 31, 2026 (forecast)	—	0.00	—	0.00	0.00	—	—	—

3. Forecast of Consolidated Financial Results for the Fiscal Year Ending March 31, 2026 (from April 1, 2025 to March 31, 2026)

(Percentage figures represent year-on-year changes)

	Net sales		Operating income (loss)		Ordinary income (loss)		Net income (loss) attributable to owners of parent		Basic net income per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	6,200	30.7	(11,500)	—	(8,300)	—	(8,300)	—	(78.54)

(Note) Since the Company manages its operations on an annual basis, forecasts for the consolidated financial results for the second quarter (cumulative period) are not provided. For details, refer to “1. Qualitative Information on the Financial Results for the Period under Review, (4) Explanations on Consolidated Earnings Forecast and Other Forecast Information” on page 3 of the Attachment.

*Explanatory notes

(1) Changes in significant subsidiaries during the quarter (changes in specified subsidiaries resulting in change in scope of consolidation): None

(2) Changes in accounting policies, changes in accounting estimates, and restatement of prior period financial statements

i. Changes in accounting policies due to revisions to accounting standards, etc.: None

ii. Changes in accounting policies other than those in i. above: None

iii. Changes in accounting estimates: Yes

iv. Restatement of prior period financial statements: None

(3) Number of shares issued and outstanding (common shares)

1) Total number of issued shares at the end of the period (including treasury shares)	As of March 31, 2025	105,675,203 shares	As of March 31, 2024	93,131,903 shares
2) Number of treasury shares at the end of the period	As of March 31, 2025	55 shares	As of March 31, 2024	55 shares
3) Average number of shares during the period (cumulative from the beginning of the fiscal year)	Fiscal year ended March 31, 2025	96,085,864 shares	Fiscal year ended March 31, 2024	81,455,440 shares

(Reference) Summary of Non-consolidated Financial Results

1. Non-consolidated Financial Results for the Fiscal Year Ended March 31, 2025

(from April 1, 2024 to March 31, 2025)

(1) Non-consolidated Operating Results (Cumulative)

(Percentage figures represent year-on-year changes)

	Net sales		Operating income (loss)		Ordinary income (loss)		Net income (loss) attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Fiscal year ended March 31, 2025	2,402	137.4	(7,741)	—	(12,921)	—	(13,539)	—
Fiscal year ended March 31, 2024	1,012	61.7	(4,240)	—	(6,088)	—	(2,342)	—

	Basic net income per share	Diluted net income per share
	Yen	Yen
Fiscal year ended March 31, 2025	(140.91)	—
Fiscal year ended March 31, 2024	(28.75)	—

(Note) Diluted net income per share is not presented, as the Company recorded a basic net loss per share.

(2) Non-consolidated Financial Position

	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
	Millions of yen	Millions of yen	%	yen
Fiscal year ended March 31, 2025	22,068	4,474	19.8	41.14
Fiscal year ended March 31, 2024	25,551	10,353	40.5	111.16

(Reference)	Equity	
	Fiscal year ended March 31, 2025:	4,365 Millions of yen
	Fiscal year ended March 31, 2024:	10,352 Millions of yen

* This financial results report is not subject to audit by certified public accountants or auditing firms.

* Explanation regarding appropriate use of earnings forecasts, and other notes

(Notes on forward-looking statements)

The earnings outlook and other forward-looking statements contained in this document are based on information currently available to the Company and certain assumptions that are thought to be reasonable. Accordingly, such statements should not be construed as a guarantee of achieving the results by the Company. Actual financial results and the like may differ materially due to various factors. For matters concerning earnings forecast, refer to “1. Qualitative Information on the Financial Results for the Period under Review, (4) Explanations on Consolidated Earnings Forecast and Other Forecast Information” on page 3 of the Attachment.

(How to obtain the supplementary materials on quarterly financial results and the content of the quarterly financial results briefing session)

The Company will hold a financial results briefing session for institutional investors and securities analysts on May 9, 2025 (Friday) and the material to be used in the briefing session will be disclosed on the Company website.

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1. Qualitative Information on the Financial Results for the Period under Review

(1) Explanation of Operating Results

The Company is a next-generation private space Company working on the commercialization of lunar surface development to realize a sustainable world by expanding our living sphere into space in line with its vision of “Expand our planet. Expand our future.”

During the current consolidated fiscal year under review, the global economy remained in an increasingly uncertain state. Concerns over geopolitical risks persisted across multiple regions, and with Mr. Donald Trump assuming the presidency of the United States for a second term, the introduction of a series of assertive new policy measures, including tariff actions, has heightened fears of a global economic downturn. These concerns, coupled with increased volatility in capital markets and foreign exchange rates, have contributed to a prolonged state of significant uncertainty regarding the global economic outlook.

In the field of space resource development, to which our corporate group belongs, the outlook remains highly uncertain, particularly in the United States. Under the second administration of Mr. Donald Trump, a substantial reduction in the fiscal year 2026 budget for the National Aeronautics and Space Administration (hereinafter “NASA”) has been requested, and a number of large-scale projects have been indicated for potential cancellation. Conversely, Mr. Trump has nominated Mr. Jared Isaacman—a businessman who has participated in two previous private spaceflight missions—as the new Administrator of NASA. In addition, the joint statement issued at the Japan–U.S. summit held in February 2025 reaffirmed the continued strong partnership between the two nations in the area of human space exploration, including future lunar missions under the Artemis Program. Going forward, continued progress in space policy initiatives leveraging private-sector capabilities, as well as sustained lunar exploration activities, are expected. Nonetheless, close monitoring of future policy developments under the second Trump administration remains essential, and the environment is expected to continue requiring prudent and flexible responses for the time being.

The Japanese government has also secured a larger budget related to aerospace than in the past and is accelerating its efforts to encourage private companies and other organizations in the space field. In November 2023, the Cabinet decided to establish a 10-year “Space Strategy Fund” at the Japan Aerospace Exploration Agency (JAXA) to support multi-year development, demonstration, and commercialization of advanced technologies in the space sector by private companies and universities, aiming to provide a total of 1 trillion yen in support. Under the first phase of the initiative, a total budget of JPY 300 billion was allocated, and the selection results for all program themes have already been announced. Our company is participating as a core partner organization in one of the selected projects—namely, “Development and demonstration of lunar water resource exploration technology (sensing technology).” In March 2025, the themes for the second phase were announced under a similar budget allocation of JPY 300 billion. Among these, the Ministry of Education, Culture, Sports, Science and Technology (MEXT) is scheduled to allocate a total of JPY 28 billion to the area of “lunar surface development.”

With such developments as a background, the Company has begun the operation of Mission 2, aimed at demonstrating lunar landing and lunar exploration. The rocket carrying the lunar lander “RESILIENCE Lander” used in this mission, was launched by SpaceX from Cape Canaveral, Florida, on January 15, 2025. As of May 9, 2025, the mission has successfully completed up to the seventh of the ten predefined milestones—Success 7, which entails the completion of entering lunar orbit. For Mission 2, the Company is carrying a total of 5 payloads, including three Japanese private companies, one Taiwanese university and one Swedish art project. Based on contracts worth a total of USD 16 million, we plan to continue recognizing sales under these contracts as we move towards the completion of the mission.

With respect to Mission 3, which will utilize the APEX 1.0 lander currently under development by our U.S. entity, the Company has decided to postpone the launch schedule by approximately one year, from 2026 to 2027. This decision was made in response to delays in the delivery of engine components from a supplier, which necessitated a change to a new engine development plan. For Mission 3, it has already been confirmed that payloads will be delivered under a task order (CP-12) awarded through NASA’s Commercial Lunar Payload Services (CLPS) program, as well as payloads from the Italian Space Agency and two private companies. The total contract value for these payloads amounts to USD 65 million; however, due to the postponement, the recognition of revenue related to Mission 3 is expected to be delayed from the originally anticipated timeline. Nevertheless, during the current consolidated fiscal year under review, we received an additional payment of approximately USD 7.7 million from our partner, Draper, under the CP-12 contract, reflecting the continued strong relationship between our Company, NASA, and Draper. Revenues related to Mission 3 payloads continued to account for the majority of our consolidated net sales during the current consolidated fiscal year.

With respect to Mission 4, development of the Series 3 lander (provisional name), scheduled for launch in 2027, is progressing smoothly in Japan, utilizing SBIR grant worth JPY 12 billion. In addition, the payloads for Mission 4 have begun to be finalized. Notably, our research and development proposal, “Exploration of Shallow Subsurface Lunar Resources Using a Terahertz-Wave Remote Sensing Satellite,” in which the Company participates as a core partner organization, was selected under the first phase of the Space Strategic Fund for the publicly solicited theme “Development and demonstration of lunar water resource

exploration technology (sensing technology).” This project is expected to contribute to the Company’s consolidated results from the fiscal year ending March 31, 2026 onward, and we intend to disclose further details as soon as they are determined.

As a result, the Group posted net sales of 4,743,238 thousand yen (increase 101.2% year-on-year), operating loss of 9,795,143 thousand yen (operating loss of 5,501,696 thousand yen in the same period of the previous fiscal year), ordinary loss of 11,334,495 thousand yen (ordinary loss of 6,097,990 thousand yen in the same period of the previous fiscal year) and net loss attributable to owners of parent of 11,945,139 thousand yen (net loss attributable to owners of parent of 2,366,265 thousand yen in the same period of the previous fiscal year).

Furthermore, operating results by segment are omitted as the Group operates a single segment which is the lunar surface development business.

(2) Financial Position

(Current assets)

The balance of current assets at the end of the current consolidated fiscal year under review was 19,067,950 thousand yen, a decrease of 2,716,924 thousand yen from the end of the previous consolidated fiscal year. This was mainly attributable to cash on hand in banks decreasing by 1,197,853 thousand yen and advances paid decreasing by 608,101 thousand yen.

(Non-current assets)

The balance of non-current assets at the end of the current consolidated fiscal year under review was 8,121,179 thousand yen, an increase of 2,872,610 thousand yen from the end of the previous consolidated fiscal year. This was mainly attributable to construction in progress increasing by 2,097,971 thousand yen and long-term advance payments - trade increasing by 437,146 thousand yen.

(Current liabilities)

The balance of current liabilities at the end of the current consolidated fiscal year under review was 3,854,912 thousand yen, a decrease of 6,648,424 thousand yen from the end of the previous consolidated fiscal year. This was mainly attributable to short-term borrowings decreasing by 5,980,000 thousand yen.

(Long-term liabilities)

The balance of long-term liabilities at the end of the current consolidated fiscal year under review was 16,326,629 thousand yen, an increase of 9,541,778 thousand yen from the end of the previous consolidated fiscal year. This was mainly attributable to long-term borrowings increasing by 9,558,034 thousand yen.

(Net assets)

The balance of net assets at the end of the current consolidated fiscal year under review was 7,007,587 thousand yen, a decrease of 2,737,668 thousand yen from the end of the previous consolidated fiscal year. This was mainly attributable to a decrease of 11,945,139 thousand yen in retained earnings, resulting from the recording of a net loss attributable to owners of parent, while capital and capital reserves each increased by 3,766,831 thousand yen.

(3) Cash Flows

Cash and cash equivalents (“net cash”) at the end of the current consolidated fiscal year under review amounted to 13,117,557 thousand yen, a decrease of 3,715,335 thousand yen from the end of the previous consolidated fiscal year.

The status of each cash flow and the factors affecting them during the current consolidated fiscal year are as follows.

(Cash flows from operating activities)

Net cash acquired in operating activities amounted to 12,049,809 thousand yen (5,024,543 thousand yen in the previous consolidated fiscal year). This was mainly attributable to the recording of net loss before income taxes of 11,956,713 thousand yen and an increase in long-term advance payments - trade of 1,257,103 thousand yen.

(Cash flows from investing activities)

Net cash used in investing activities amounted to 2,671,770 thousand yen (2,062,916 thousand yen in the previous consolidated fiscal year). This is mainly due to the purchase of property, plant and equipment of 2,440,499 thousand yen.

(Cash flows from financing activities)

Net cash provided by financing activities amounted to 10,423,789 thousand yen (20,366,898 thousand yen in the previous consolidated fiscal year). This is mainly due to proceeds from issuance of shares of 6,985,000 thousand yen etc.

(4) Explanations on Consolidated Earnings Forecast and Other Forecast Information

Our group is concurrently developing multiple missions in both Japan and the U.S. Mission 2, developed in Japan, was launched in January 2025 and scheduled to land in June 2025. Mission 3, currently under development in the U.S. and contracted to transport payloads for NASA and private companies, is scheduled for launch in 2027. Mission 4, which has

received a 12 billion yen SBIR grant and is being developed in Japan, is also targeted for a 2027 launch.

For the fiscal year ending March 2026, we expect the majority of our revenue to continue to come from payload services, primarily driven by Mission 3. Mission 4, which recently secured its first payload customer through the first phase of Space Strategy Fund, is also expected to contribute to revenue. Although most revenue from Mission 2 has already been recorded, and Mission 5 is still in the early planning stages, limited revenue recognition is expected from both.

Selling, general and administrative expenses are expected to remain at the same level as the current consolidated fiscal year. This is primarily because while most of the Mission 2-related expenses, including launch costs, have already been recorded in the current fiscal year due to the change in revenue recognition from a cost recovery method to method of revenue recognition based on the percentage of completion of performance obligations from Q4 onward, Mission 4 development will accelerate, driving a corresponding increase in SG&A expenses. The net income/loss for the period is expected to improve compared to the current consolidated fiscal year, as development costs for Mission 4 will be offset by income from the SBIR grant, which is recorded as non-operating income.

As disclosed in the "Presentation material for fiscal year ended March 2025" released today, we have newly introduced a metric called "Project Income," which combines reported net sales with SBIR grant income. While SBIR grants are currently categorized as non-operating income, other contracts with space agencies are recorded as net sales. Due to this lack of consistency, we have chosen to present "Project Income" as a reference metric. Up to the current consolidated fiscal year, the contribution of SBIR grant income related to Mission 4 to our overall income statement has been limited. However, starting from the fiscal year ending March 2026, we expect a more substantial contribution. We believe that "Project Income" serves as a useful indicator to provide stakeholders with a clearer understanding of our underlying business growth. For instance, while we forecast approximately a 31% year-over-year increase in net sales when comparing the current consolidated fiscal year's actual results with projections for the fiscal year ending March 2026, "Project Income"—which includes income from SBIR grants—is expected to nearly double over the same period. For further details on "Project Income," please refer to the "Presentation material for fiscal year ended March 2025" disclosed today.

Under these conditions, the Company forecasts consolidated results for the fiscal year ending March 2026 as follows: Net sales of 6,200 million yen (a 30.7% increase year-on-year), operating loss of 11,500 million yen (compared to 9,795 million yen in the previous year), ordinary loss of 8,300 million yen (compared to 11,334 million yen), and net loss attributable to owners of the parent of 8,300 million yen (compared to 11,945 million yen).

These forecasts are based on information available as of the date of this release and may differ from actual results due to various future factors.

(5) Significant Events, etc. Going Concern Assumption

The space related business in which the Group is engaged is expected to expand globally at a rapidly accelerating rate, requiring the urgent establishment of necessary technologies to keep up with the trajectory of the industry. As the Group is engaged in developments of space related equipment that requires a large amount of upfront research and development investment and a long-term development period, the Company is not generating revenue to compensate for all such development investments and has recorded continuous operating losses and negative operating cash flow. Therefore, as of the end of the consolidated fiscal year ending March 31, 2025, there are events or circumstances that could raise significant doubt regarding the ability of the Group to operate as a going concern. The Group will work on the following significant issues until such events or circumstances are resolved and stable business earnings are generated.

However, as the Group is implementing measures to resolve such significant events or circumstances, the Group has determined that there is no significant uncertainty regarding its ability to operate as a going concern.

(i) Promotion of Research and Development

For Mission 2, which is a R&D mission, Mission 3, which will be the first launch in the U.S., and Mission 4, which will use a new lander model for commercial use in Japan, we will secure launch opportunities by launch operators and strictly manage development schedules, development costs, and development quality to ensure that the development of the lander and rover will steadily proceed.

(ii) Customer development

The lander and rover required for the Company to achieve business earnings are under development. The global market in which the Company anticipates business earnings is in its early stages. The Company has currently confirmed potential contracts from customers for mission 3 and onwards, and will continue to cultivate a sustainable market over the medium to long term to stabilize business earnings.

(iii) Securing Human resources

The Company is continuously hiring personnel with advanced expertise and capabilities in various development fields in Japan and overseas to pursue research and development of landers and rovers. Additionally, the Company will continue to engage in preparing an environment that enables each individual to demonstrate their full abilities in the organization in which the number of employees is rapidly expanding.

(iv) Establishing and Appropriately Managing Internal Control Responding to Growth

The Company will continue to establish and appropriately manage internal controls responding to its growth, such as organizing necessary operational processes, financial and accounting structure, labor management, and subsidiary management, for the Group to continuously expand business in the future.

(v) Securing Funds for Achieving Growth over Medium to Long Term

Continuing to perform missions in the future is essential for the Company to aspire to stable business earnings. It is also important to consistently secure the necessary funds to do so. To date, the Company has raised funds through a variety of means, including unsecured convertible bonds, third-party allotment of shares, borrowings from financial institutions, crowdfunding and public offering, and will consider the possibilities of flexible fund raisings to further promote the missions in the future.

In addition, the Company concluded an insurance contract with Mitsui Sumitomo Insurance Company, Limited for Mission 1 and received insurance benefits. The Company recognizes that risk reduction through insurance is one of the ways to ensure financial security and has also concluded an insurance contract with Mitsui Sumitomo Insurance Company, Limited for Mission 2.

Regarding borrowings from financial institutions, in the fiscal year ended March 31, 2025, we concluded loan agreements totaling 7.5 billion yen with several banks, and in April 2024, we concluded a loan agreement totaling 7 billion yen, including refinancing, with Sumitomo Mitsui Banking Corporation. In July 2024, the Company entered into a syndicated loan agreement totaling 10 billion yen, including refinancing, with Sumitomo Mitsui Banking Corporation as arranger, Mizuho Bank, Ltd. as a co-arranger, and The Shoko Chukin Bank, Ltd., Sumitomo Mitsui Trust Bank, Limited, SBI Shinsei Bank, Limited, Aozora Bank, Ltd. and Resona Bank, Ltd. as participating financial institutions. Subsequently, in December 2024, the Company entered into a subordinated loan agreement of 900 million yen with Japan Finance Corporation, and in March 2025, entered into a long-term loan agreement (refinancing) totaling 1.4 billion yen with Sumitomo Mitsui Trust Bank, Limited.

In addition, as described in “(5) Notes to the Consolidated Financial Statements (Notes on Significant Changes in Shareholders' Equity),” the Company entered into an Equity Program Agreement with CVI Investments, Inc. in October 2024 to issue new shares and stock acquisition rights through a third-party allotment.

2. Basic approach to the selection of accounting standards

The Group prepares its consolidated financial statements in accordance with Japanese GAAP for the purpose of intercompany comparability.

The Company will consider applying International Financial Reporting Standards (IFRSs) as appropriate along with various conditions in Japan and overseas.

3. Consolidated Financial Statements and Significant Notes

(1) Consolidated Balance Sheet

(Thousands of yen)

	As of March 31, 2024	As of March 31, 2025
Assets		
Current assets		
Cash on hand and in banks	14,315,411	13,117,557
Restricted cash	2,517,482	—
Accounts receivable – trade	18,696	1,544,814
Notes receivable – trade	1,385	—
Advance payments – trade	4,228,814	3,620,712
Work in process	274,770	255,886
Other	428,315	562,552
Allowance for doubtful accounts	—	(33,573)
Total current Assets	21,784,875	19,067,950
Non-current assets		
Property, plant and equipment		
Buildings	67,090	31,100
Tools, furniture and fixtures	375,015	865,968
Right-of-use assets	333,205	285,821
Construction in progress	1,913,944	4,011,915
Other	8,593	6,899
Accumulated depreciation	(235,030)	(342,287)
Total property, plant and equipment	2,462,819	4,859,419
Intangible assets		
Software	70,810	88,064
Other	1,823	1,018
Total intangible assets	72,634	89,083
Investments and other assets		
Long-term advance payments – trade	2,560,754	2,997,900
Other	152,360	174,775
Total investments and other assets	2,713,114	3,172,676
Total non-current assets	5,248,569	8,121,179
Total assets	27,033,444	27,189,129

(Thousands of yen)

	As of March 31, 2024	As of March 31, 2025
Liabilities		
Current liabilities		
Short-term borrowings	5,980,000	—
Contract liabilities	3,190,172	2,695,528
Provision for loss on orders received	—	106,005
Provision for share-based compensation	—	11,628
Other	1,333,164	1,041,749
Total current liabilities	10,503,337	3,854,912
Non-current liabilities		
Long-term borrowings	6,538,241	16,096,275
Other	246,609	230,354
Total non-current liabilities	6,784,851	16,326,629
Total liabilities	17,288,188	20,181,542
Net assets		
Shareholders' equity		
Share capital	7,775,500	11,542,332
Subscription rights to shares	—	18,508
Capital surplus	7,682,478	11,449,310
Retained earnings	(4,982,563)	(16,927,703)
Treasury shares	(65)	(65)
Total shareholders' equity	10,475,350	6,082,382
Accumulated other comprehensive income		
Foreign currency translation adjustment	(731,024)	815,926
Total accumulated other comprehensive income	(731,024)	815,926
Share acquisition rights	930	109,278
Total net assets	9,745,256	7,007,587
Total liabilities and net assets	27,033,444	27,189,129

(2) Consolidated Statement of Income and Consolidated Statement of Comprehensive Income (Loss)
(Consolidated Statement of Income (Loss))

(Thousands of yen)

	Consolidated fiscal year ended March 31, 2024	Consolidated fiscal year ended March 31, 2025
Net sales	2,357,055	4,743,238
Cost of sales	1,428,811	2,498,705
Gross profit	928,243	2,244,532
Selling, general and administrative expenses		
Research and development expenses	3,834,408	7,730,999
Salaries and allowances	997,196	1,522,199
Other	1,598,334	2,786,476
Total selling, general and administrative expenses	6,429,939	12,039,675
Operating loss	(5,501,696)	(9,795,143)
Non-operating income		
Interest income	18,615	95,753
Subsidy income	—	228,639
Foreign exchange gains	641,007	—
Miscellaneous income	1,489	82,597
Other	0	0
Total non-operating income	661,112	406,991
Non-operating expenses		
Interest expenses	367,997	920,442
Foreign exchange losses	—	644,231
Share issuance costs	52,019	—
Listing expenses	470,789	—
Financing expenses	320,787	374,888
Other	45,811	6,781
Total non-operating expenses	1,257,406	1,946,343
Ordinary loss	(6,097,990)	(11,334,495)
Extraordinary income		
Insurance claim income	3,793,660	—
Gain on reversal of share acquisition rights	52	429
Total extraordinary income	3,793,713	429
Extraordinary losses		
Loss on retirement of non-current assets	—	1,562
Loss on retirement of treasury subscription rights to shares	43,315	—
impairment loss	—	621,083
Total extraordinary losses	43,315	622,646
Loss before income taxes	(2,347,592)	(11,956,713)
Income taxes - current	18,673	(11,573)
Total income taxes	18,673	(11,573)
Net loss	(2,366,265)	(11,945,139)
Net loss attributable to owners of parent	(2,366,265)	(11,945,139)

(Consolidated Statement of Comprehensive Income (Loss))

(Thousands of yen)

	Consolidated fiscal year ended March 31, 2024	Consolidated fiscal year ended March 31, 2025
Net Loss	(2,366,265)	(11,945,139)
Other comprehensive income		
Foreign currency translation adjustment	(705,652)	1,546,951
Total other comprehensive income	(705,652)	1,546,951
Comprehensive income	(3,071,917)	(10,398,187)
(Breakdown)		
Comprehensive income attributable to owners of parent	(3,071,917)	(10,398,187)

(3) Consolidated statement of changes in shareholders' equity

Previous Consolidated Fiscal Year (from April 2023 to March 31, 2024)

(Thousands of yen)

	Shareholders' equity			
	Share capital	Capital surplus	Retained earnings	Total shareholders' equity
Balance at beginning of period	93,022	8,556,042	(11,172,340)	—
Changes during period				
Loss attributable to owners of parent			(2,366,265)	
Issuance of new shares	7,422,632	7,422,632		
Exercise of share acquisition rights	259,846	259,846		
Forfeiture of share acquisition rights				
Transfer from capital surplus to retained earnings		(8,556,042)	8,556,042	
Acquisition of treasury shares				(65)
Net changes in items other than shareholders' equity				
Total changes during period	7,682,478	(873,563)	6,189,776	(65)
Balance at end of period	7,775,500	7,682,478	(4,982,563)	(65)

	Shareholders' Equity	Accumulated other comprehensive income		Share acquisition rights	Total net assets
	Total shareholder's equity	Foreign currency translation adjustment	Total accumulated other comprehensive income		
Balance at beginning of period	(2,523,276)	(25,372)	(25,372)	201,042	(2,347,606)
Changes during period					
Loss attributable to owners of parent	(2,366,265)				(2,366,265)
Issuance of new shares	14,845,265				14,845,265
Exercise of share acquisition rights	519,692			(200,059)	319,633
Forfeiture of share acquisition rights	—			(52)	(52)
Transfer from capital surplus to retained earnings	—				—
Acquisition of treasury shares	(65)				(65)
Net changes in items other than shareholders' equity	—	(705,652)	(705,652)		(705,652)
Total changes during period	12,998,626	(705,652)	(705,652)	(200,111)	12,092,862
Balance at end of period	10,475,350	(731,024)	(731,024)	930	9,745,256

Current Consolidated Fiscal Year (from April 2024 to March 31, 2025)

(Thousands of yen)

	Shareholders' equity				
	Share capital	Subscription rights to shares	Capital surplus	Retained earnings	Treasury shares
Balance at beginning of period	7,775,500		7,682,478	(4,982,563)	(65)
Changes during period					
Loss attributable to owners of parent				(11,945,139)	
Issuance of new shares	3,492,500		3,492,500		
Restricted stock compensation	220,578		220,578		
Issuance of share acquisition rights					
Exercise of share acquisition rights	53,753		53,753		
Forfeiture of share acquisition rights					
Payment of subscription rights to shares		18,508			
Net changes in items other than shareholders' equity					
Total changes during period	3,766,831	18,508	3,766,831	(11,945,139)	
Balance at end of period	11,542,332	18,508	11,449,310	(16,927,703)	(65)

	Shareholders' Equity	Accumulated other comprehensive income		Share acquisition rights	Total net assets
	Total shareholder's equity	Foreign currency translation adjustment	Total accumulated other comprehensive income		
Balance at beginning of period	10,475,350	(731,024)	(731,024)	930	9,745,256
Changes during period					
Loss attributable to owners of parent	(11,945,139)				(11,945,139)
Issuance of new shares	6,985,000				6,985,000
Restricted stock compensation	441,156				441,156
Issuance of share acquisition rights	—			108,872	108,872
Exercise of share acquisition rights	107,507			(95)	107,411
Forfeiture of share acquisition rights	—			(429)	△429
Payment of subscription rights to shares	18,508				18,508
Net changes in items other than shareholders' equity	—	1,546,951	1,546,951		1,546,951
Total changes during period	(4,392,967)	1,546,951	1,546,951	108,348	(2,737,668)
Balance at end of period	6,082,382	815,926	815,926	109,278	7,007,587

(4) Consolidated Statement of Cash Flows

(Thousands of yen)

	Consolidated fiscal year ended March 31, 2024	Consolidated fiscal year ended March 31, 2025
Cash flows from operating activities		
Loss before income taxes	(2,347,592)	(11,956,713)
Depreciation	83,333	162,364
Impairment loss	—	621,083
Insurance claim income	(3,793,660)	—
Subsidy income	—	(228,639)
Interest expenses	367,997	920,442
Foreign exchange losses (gains)	(629,606)	656,834
Listing expenses	470,789	—
Financing expenses	320,787	374,888
Share issuance costs	52,019	—
Share-based compensation expense	—	454,119
Loss on retirement of treasury subscription rights to shares	43,315	—
Decrease (increase) in trade receivables	16,822	(1,468,699)
Decrease (increase) in advance payments to suppliers	(696,858)	1,916,244
(Increase) decrease in long-term advance payment	(3,113,742)	(1,257,103)
Increase (decrease) in contract liabilities	781,712	(669,684)
Increase (decrease) in provision for loss on orders received	—	105,656
Increase (decrease) in allowance for doubtful accounts	—	32,312
Other, net	(8,486)	(1,107,384)
Subtotal	(8,453,168)	(11,444,276)
Proceeds from insurance income	3,793,660	—
Subsidy received	—	228,639
Interest and dividends received	18,615	95,754
Interest paid	(370,500)	(925,620)
Income taxes paid	(13,151)	(4,305)
Net cash provided by (used in) operating activities	(5,024,543)	(12,049,809)
Cash flows from investing activities		
Purchase of property, plant and equipment	(2,022,942)	(2,440,499)
Purchase of intangible assets	(36,482)	(85,811)
Other, net	(3,491)	(145,459)
Net cash provided by (used in) investing activities	(2,062,916)	(2,671,770)
Cash flows from financing activities		
Proceeds from short-term borrowings	5,500,000	5,000,000
Repayments of short-term borrowings	(1,083,338)	(12,704,274)
Proceeds from long-term borrowings	2,000,000	13,969,718
Repayments of long-term borrowings	(677,332)	(3,017,691)
Proceeds from issuance of shares	14,822,528	6,985,000
Proceeds from issuance of shares	—	108,872
Proceeds from payments for subscription rights to new shares	—	18,508
Proceeds from issuance of shares resulting from exercise of share acquisition rights	319,633	107,411
Payments of listing expenses	(470,789)	—
Payments of finance expenses	(5,750)	(47,606)
Purchase of treasury shares	(65)	—
Payments for purchase of treasury subscription right to share	(43,315)	—
Other, net	5,326	3,851
Net cash provided by (used in) financing activities	20,366,898	10,423,789
Effect of exchange rate change on cash and cash equivalents	171,519	582,454
Net increase (decrease) in cash and cash equivalents	13,450,957	(3,715,335)
Cash and cash equivalents at beginning of period	3,381,935	16,832,893

Cash and cash equivalents at end of period	16,832,893	13,117,557
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(5) Notes to the Consolidated Financial Statements

(Notes on Going Concern Assumption)

Not applicable.

(Notes on Significant Accounting Estimates)

1. Revenue Recognition for Payload Services Contracts

(1) Amount Recorded in the Consolidated Financial Statements for the Current Fiscal Year

For payload services contracts entered into by the Group (contracts in which control over goods or services are transferred over a certain period of time), revenue was recognized based on the progress toward fulfilling performance obligations. The amount of revenue recorded under this method in the current consolidated fiscal year was 1,847,060 thousand yen. Following the successful launch of Mission 2, the revenue recognition method for certain contracts was changed from the cost recovery method to method of revenue recognition based on the percentage of completion of performance obligations. As a result, revenue increased by 1,813,906 thousand yen in the current consolidated fiscal year.

(2) Details of Significant Accounting Estimates Identified

The Company recognizes revenue from payload service contracts based on the progress toward satisfaction of performance obligations over a certain period of time, except for those contracts to which the cost recovery method is applied. The progress is measured based on the ratio of costs incurred to date to the total estimated costs for each contract. These total cost estimates are determined appropriately by identifying the scope of work based on the content of services specified in the contracts with customers

In addition, the total cost is reviewed in a timely manner to reflect changes in the scope or circumstances of work during the mission.

2. Impairment of Fixed Assets

(1) Amounts Recorded in the Consolidated Financial Statements for the Current Consolidated Fiscal Year

(Thousands of yen)

	Previous Consolidated Fiscal Year (As of March 31, 2024)	Current Consolidated Fiscal Year (As of March 31, 2025)
Tangible Fixed Assets	2,462,819	4,859,419
Intangible Fixed Assets	72,634	89,083
Impairment Loss	—	621,083

(2) Details of Significant Accounting Estimates Identified

Although the Group operates in a single segment focused on lunar development, asset grouping for business-use assets is conducted based on management units. Signs of impairment are assessed per asset group, and for those with such indications, an impairment test is conducted.

As a result, for asset groups where the undiscounted future cash flows fell below the book value due to changes in usage, the book value was reduced to the recoverable amount, and the decrease was recorded as impairment loss.

The estimates of undiscounted future cash flows used to determine the need for impairment recognition are based on the business plan and include assumptions about the timing and amount of revenue to be recorded based on contracts with customers.

(Notes on Significant Changes in Shareholders' equity)

On October 11, 2024, the Company's Board of Directors resolved to enter into an Equity Program Agreement (the "Equity Program Agreement") with CVI Investments, Inc. (the "Allottee"), a U.S.-based institutional investor managed by Heights Capital Management, Inc. Pursuant to the Equity Program Agreement, the Company established a program for the issuance of common shares and stock acquisition rights, under which a total of 11,000,000 common shares and 110,000 stock acquisition rights (representing 11,000,000 potential shares) would be issued through four separate issuances. Pursuant to this program, the Company resolved to issue new shares and the 14th series of stock acquisition rights to the Allottee on October 11, 2024 as the first issuance. Thereafter, the Company resolved to carry out the second issuance on November 18, 2024, the third issuance on January 14, 2025, and the fourth issuance on March 11, 2025, each comprising new shares and the 15th, 16th, and 17th series of stock acquisition rights, respectively. The payments for these respective issuances were completed on October 28, 2024 for the first issuance, December 3, 2024 for the second, January 29, 2025 for the third, and March 26, 2025 for the fourth.

As a result of the above, both capital stock and capital surplus increased by 3,492,500 thousand yen, respectively.

(Notes to Consolidated Balance Sheets)

Financial Covenants

Previous consolidated fiscal year (March 31, 2024)

(1) Of the borrowings at the end of the consolidated fiscal year, syndicated loan contracts between the Company and several financial institutions contain the following financial covenants.

Contract dated July 26, 2022 (balance at the end of the previous consolidated fiscal year: 4,038,241 thousand yen)

1) The total amount of net assets indicated in the consolidated balance sheet at the end of each consolidated fiscal year should be maintained positive.

2) The total amount of cash on hand and in banks indicated in the consolidated balance sheet at the end of each consolidated fiscal year should be maintained at 3 billion yen or more.

(2) Of the borrowings at the end of the consolidated fiscal year, a special overdraft agreement between the Company and a correspondent bank contains the following financial covenants.

Contract dated August 30, 2023 (balance at the end of the previous consolidated fiscal year: 3,000,000 thousand yen)

1) The total amount of net assets in the consolidated balance sheets as of the end of each quarterly consolidated accounting period shall be maintained at a positive value.

2) The total amount of cash on hand and in banks indicated in the consolidated balance sheets as of the end of each quarter at 3 billion yen or more.

(3) Of the borrowings at the end of the consolidated fiscal year, loan agreement between the Company and a correspondent bank contains the following financial covenants.

Contract dated November 10, 2023 (balance at the end of the current consolidated fiscal year: 2,000,000 thousand yen)

1) The total amount of net assets in the consolidated balance sheets as of the end of each quarterly consolidated accounting period shall be maintained at a positive value.

2) The total amount of cash on hand and in banks indicated in the consolidated balance sheets as of the end of each quarter at 3 billion yen or more.

(4) Of the borrowings at the end of the consolidated fiscal year, the overdraft agreement between the Company and a correspondent bank contains the following financial covenants.

Contract dated January 29, 2024 (balance at the end of the current consolidated fiscal year: 2,000,000 thousand yen)

1) The total amount of net assets indicated in the consolidated balance sheet at the end of each consolidated fiscal year should be maintained positive.

2) The total amount of cash on hand and in banks indicated in the consolidated balance sheet at the end of each consolidated fiscal year should be maintained at 3 billion yen or more.

Current consolidated fiscal year ending March 31, 2025 (March 31, 2025)

(1) Of the borrowings at the end of the current consolidated fiscal year ending March 31, 2025, loan agreement between the Company and a correspondent bank contains the following financial covenants.

Contract dated November 10, 2023 (balance at the end of the Third quarter of the fiscal year ending March 31, 2025: 1,331,730 thousand yen)

1) The total amount of net assets in the consolidated balance sheets as of the end of each quarterly consolidated accounting period shall be maintained at a positive value.

2) The total amount of cash on hand and in banks indicated in the consolidated balance sheets as of the end of each quarter at 3 billion yen or more.

(2) Of the borrowings at the end of the current consolidated fiscal year ending March 31, 2025, loan agreement between the Company and a correspondent bank contains the following financial covenants.

Contract dated April 25, 2024 (balance at the end of the current consolidated fiscal year ending March 31, 2025: 1,964,545 thousand yen)

1) The total amount of net assets indicated in the consolidated balance sheet at the end of each consolidated fiscal year should be maintained positive.

2) The total amount of cash on hand and in banks indicated in the consolidated balance sheet at the end of each consolidated fiscal year should be maintained at 3 billion yen or more.

(3) Of the borrowings at the end of the current consolidated fiscal year ending March 31, 2025, loan agreement between the Company and a correspondent bank contains the following financial covenants.

Contract dated July 26, 2024 (balance at the end of the current consolidated fiscal year ending March 31, 2025: 10,000,000 thousand yen)

1) The total amount of net assets indicated in the consolidated balance sheet at the end of each consolidated fiscal year should be maintained positive.

2) The total amount of cash on hand and in banks indicated in the consolidated balance sheet at the end of each consolidated fiscal year should be maintained at 3 billion yen or more.

(4) Of the borrowings at the end of the current consolidated fiscal year ending March 31, 2025, loan agreement between the Company and a correspondent bank contains the following financial covenants.

Contract dated March 31, 2025 (balance at the end of the current consolidated fiscal year ending March 31, 2025: 1,400,000 thousand yen)

1) The total amount of net assets indicated in the consolidated balance sheet at the end of each consolidated fiscal year should be maintained positive.

2) The total amount of cash on hand and in banks indicated in the consolidated balance sheet at the end of each consolidated fiscal year should be maintained at 3 billion yen or more.

(Statement of Cash Flows)

Reconciliation of cash and cash equivalents at the end of the period to the accounts reported in the consolidated balance sheets are made as follows.

	Previous Consolidated Fiscal Year (from April 1, 2023 to March 31, 2024)	Current Consolidated Fiscal Year (from April 1, 2024 to March 31, 2025)
Cash and bank deposits	14,315,411 thousand yen	13,117,557 thousand yen
Restricted withdrawal deposit	2,517,482 thousand yen	—
Cash and cash equivalents	16,832,893 thousand yen	13,117,557 thousand yen

(Note) In the previous consolidated fiscal year, 2,517,482 thousand yen of restricted withdrawal deposits held by ispace technologies U.S., inc. are included in cash and cash equivalents in accordance with the provisions of ASC No. 230, "Statement of Cash Flows," the U.S. accounting standard applied by the company.

(Segment Information, etc.)

Segment information is omitted as the Group operates a single segment which is the lunar surface development business.

(Per Share Information)

	Previous Consolidated Fiscal Year (from April 1, 2022 to March 31, 2023)	Current Consolidated Fiscal Year (from April 1, 2023 to March 31, 2025)
Net assets per share	104.63 yen	65.10 yen
Net loss per share	(29.05) yen	(124.32) yen

(Note)

1. Diluted net income per share is omitted since the Company posted a net loss per share.

2. Basis for calculation of net loss per share is as follows

	Previous Consolidated Fiscal Year (from April 1, 2023 to March 31, 2024)	Current Consolidated Fiscal Year (from April 1, 2024 to March 31, 2025)
Loss attributable to owners of parent (thousand yen)	(2,366,265)	(11,945,139)
Amount not attributable to common shareholders (thousand yen)	—	—
Loss attributable to owners of parent for	(2,366,265)	(11,945,139)

common stock (thousand yen)		
Average number of shares of common stock during the period (shares)	81,455,440	96,085,864
Summary of potential stock not included in the calculation of diluted net income per share due to the absence of dilutive effects	10 types of stock acquisition rights Number of stock acquisition rights: 368,889 (common stock: 7,377,780 shares)	12 types of stock acquisition rights Number of stock acquisition rights: 257,417 (common stock: 13,948,340 shares)

(Significant Subsequent Events)

Not applicable.