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(Corrections) Notice Regarding Partial Corrections to the “Consolidated Financial Results for the Fiscal Year Ended March 31, 2026” and the Presentation for the Fiscal Year Ended March 31, 2026”

ispace, inc. hereby announces that it has identified certain matters requiring correction in the “Consolidated Financial Results for the Fiscal Year Ended March 31, 2026” and the “Financial Results Presentation for the Fiscal Year Ended March 31, 2026,” both disclosed on May 15, 2026, as described below.

1. Reason for corrections

After the release of the “Consolidated Financial Results for the Fiscal Year Ended March 31, 2026 [Japanese GAAP] (Consolidated),” it was found that corrections were necessary due to errors in the descriptions of the consolidated earnings forecast for the fiscal year ending March 31, 2027, from April 1, 2026 to March 31, 2027, the non-consolidated financial results for the fiscal year ended March 31, 2026, from April 1, 2025 to March 31, 2026, the consolidated statement of cash flows, and impairment of non-current assets. Accordingly, the Company is issuing this correction.

In addition, as a result of the above corrections, the Company is also making partial corrections to certain descriptions in the “Financial Results Presentation for the Fiscal Year Ended March 31, 2026.”

2. Details of corrections

The corrections are indicated with underlines. In relation to the correction to the consolidated statement of cash flows, cash flows related to foreign exchange forward contracts had previously been included in cash flows from operating activities. However, the Company determined that it would be appropriate to present them separately under cash flows from investing activities, and therefore made the correction.

1. Consolidated Financial Results for the Fiscal Year Ended March 31, 2026 (from April 1, 2025 to March 31, 2026)

(Before correction)

(3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and equivalents, end of period
Fiscal year ended	Million yen	Million yen	Million yen	Million yen
March 31, 2026	<u>(13,190)</u>	<u>(2,203)</u>	31,447	29,690
March 31, 2025	(12,049)	(2,671)	10,423	13,117

(After correction)

(3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and equivalents, end of period
Fiscal year ended	Million yen	Million yen	Million yen	Million yen
March 31, 2026	<u>(13,568)</u>	<u>(1,825)</u>	31,447	29,690
March 31, 2025	(12,049)	(2,671)	10,423	13,117

3. Consolidated Earnings Forecasts for the Fiscal Year Ending March 31, 2027 (from April 01, 2026 to March 31, 2027)

(Before correction)

(Percentage indicate YoY changes)

	Project revenue		Net sales		Operating income (loss)		Ordinary income (loss)		Net income (loss) attributable to owners of parent		Basic earnings per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Million yen	%	
Fiscal year ending March 31, 2027	9,000	50.8	3,300	(0.2)	<u>(11,700)</u>	-	(13,000)	-	(13,000)	-	Yen (105.18)

(After correction)

	Project revenue		Net sales		Operating income (loss)		Ordinary income (loss)		Net income (loss) attributable to owners of parent		Basic earnings per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Million yen	%	
Fiscal year ending March 31, 2027	9,000	50.8	3,300	(0.2)	<u>(17,700)</u>	-	(13,000)	-	(13,000)	-	Yen (105.18)

(Reference) Summary of Non-consolidated Results

1. Non-consolidated financial results for the fiscal year ended March 31, 2026 (from April 1, 2025 to March 31, 2026)

(Before correction)

(1) Non-consolidated operating results

(Percentages indicate YoY changes)

	Net sales		Operating income (loss)		Ordinary income (loss)		Net income	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Fiscal year ended March 31, 2026	1,116	(53.5)	(5,054)	-	<u>(4,572)</u>	-	<u>(4,582)</u>	-
March 31, 2025	2,402	137.4	(7,741)	-	(12,921)	-	(13,539)	-
	Basic earnings per share		Diluted earnings per share					
Fiscal year ended	Yen		Yen					
March 31, 2026	<u>(37.08)</u>		-					
March 31, 2025	(140.91)		-					

(Note) 1. Although there are potential shares for diluted earnings per share, this information is not presented because net loss per share was recorded for the period.

(2) Non-consolidated financial positions

	Total assets		Net assets		Equity-to-asset ratio		Net assets per share	
As of	Million yen		Million yen		%		Yen	
March 31, 2026	<u>49,465</u>		<u>18,232</u>		<u>36.6</u>		<u>123.93</u>	
March 31, 2025	22,068		4,474		19.8		41.14	

(Reference) Owner's equity Fiscal year ending March 2026: 18,123 million yen Fiscal year ended March 2025: 4,365 million yen

(After correction)

(1) Non-consolidated operating results

(Percentages indicate YoY changes)

	Net sales		Operating income (loss)		Ordinary income (loss)		Net income	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Fiscal year ended March 31, 2026	1,116	(53.5)	(5,054)	-	<u>(12,867)</u>	-	<u>(12,878)</u>	-
March 31, 2025	2,402	137.4	(7,741)	-	(12,921)	-	(13,539)	-

	Basic earnings per share	Diluted earnings per share
Fiscal year ended	Yen	Yen
March 31, 2026	(104.20)	-
March 31, 2025	(140.91)	-

(Note) 1. Although there are potential shares for diluted earnings per share, this information is not presented because net loss per share was recorded for the period.

(2) Non-consolidated financial positions

	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
As of	Million yen	Million yen	%	Yen
March 31, 2026	41,170	9,937	23.9	67.19
March 31, 2025	22,068	4,474	19.8	41.14

(Reference) Owner's equity Fiscal year ending March 2026: 9,827 million yen Fiscal year ended March 2025: 4,365 million yen

(1. Overview of Operating Results, etc.)

(Before correction)

(3) Overview of Cash Flows for the Period

Cash and cash equivalents (hereinafter referred to as "funds") for the fiscal year ended increased by 16,573,053 thousand yen compared to the end of the previous fiscal year, reaching 29,690,611 thousand yen at the end of the current fiscal year. The cash flows for the fiscal year and their respective factors are as follows.

(Cash flows from operating activities)

Net cash used in operating activities was 13,190,477 thousand yen (compared to 12,049,809 thousand yen used in the previous fiscal year). This was mainly due to a loss before income taxes of 8,142,931 thousand yen and an increase in long-term advance payments - trade of 3,636,031 thousand yen, among other factors.

(Cash flows from investing activities)

Net cash used in investing activities was 2,203,486 thousand yen (compared to 2,671,770 thousand yen used in the previous fiscal year). This was mainly due to purchase of property, plant and equipment of 2,364,860 thousand yen.

(Cash flows from financing activities)

Funds obtained as a result of financing activities amounted to 31,447,837 thousand yen (compared to 10,423,789 thousand yen in the previous consolidated fiscal year). This was mainly due to proceeds from issuance of shares of 18,195,411 thousand yen, among other factors.

(After correction)

(3) Overview of Cash Flows for the Period

Cash and cash equivalents (hereinafter referred to as "funds") for the fiscal year ended increased by 16,573,053 thousand yen compared to the end of the previous fiscal year, reaching 29,690,611 thousand yen at the end of the current fiscal year. The cash flows for the fiscal year and their respective factors are as follows.

(Cash flows from operating activities)

Net cash used in operating activities was 13,568,357 thousand yen (compared to 12,049,809 thousand yen used in the previous fiscal year). This was mainly due to a loss before income taxes of 8,142,931 thousand yen and an increase in long-term advance payments - trade of 3,636,031 thousand yen, among other factors.

(Cash flows from investing activities)

Net cash used in investing activities was 1,825,606 thousand yen (compared to 2,671,770 thousand yen used in the previous fiscal year). This was mainly due to purchase of property, plant and equipment of 2,364,860 thousand yen.

(Cash flows from financing activities)

Funds obtained as a result of financing activities amounted to 31,447,837 thousand yen (compared to 10,423,789 thousand yen in the previous consolidated fiscal year). This was mainly due to proceeds from issuance of shares of 18,195,411 thousand yen, among other factors.

(Attached document p.13)

(4) Consolidated Statement of Cash Flows

(Before correction)

(Unit: Thousands of yen)

	Consolidated fiscal year ended March 31, 2025	Consolidated fiscal year ended March 31, 2026
Cash flows from operating activities		
Loss before income taxes and other adjustments (-)	(11,956,713)	(8,142,931)
Depreciation	162,364	228,057
Impairment loss	621,083	-
Government subsidy income	(228,639)	(2,583,796)
Interest expense	920,442	1,816,406
Foreign exchange loss	656,834	(2,375,175)
Financing expenses	374,888	131,542
Share issuance costs	-	64,064
Share-based payment expenses	454,119	116,039
Decrease (increase) in trade receivables	(1,468,699)	1,438,558
Decrease (increase) in advance payments to suppliers	1,916,244	1,031,809
Increase (decrease) in long-term advance payments - trade (- indicates increase)	(1,257,103)	(3,636,031)
Increase (decrease) in contract liabilities	(669,684)	(1,886,786)
Increase (decrease) in provision for loss on orders received	105,656	(108,880)
Increase (decrease) in allowance for doubtful accounts	32,312	(31,790)
Other	(1,107,384)	(93,406)
Subtotal	(11,444,276)	(14,302,320)
Subsidies received	228,639	2,583,796
Interest and dividends received	95,754	140,901
Interest paid	(925,620)	(1,873,675)
Income taxes paid	(4,305)	(9,180)
Cash flows from operating activities	(12,049,809)	(13,190,477)
Cash flows from investing activities		
Purchase of property and equipment	(2,440,499)	(2,364,860)
Purchase of intangible assets	(85,811)	(9,009)
Other	(145,459)	170,383
Cash flows from investing activities	(2,671,770)	(2,203,486)
Cash flows from financing activities		
Proceeds from short-term borrowings	5,000,000	500,000
Repayments of short-term borrowings	(12,704,274)	-
Proceeds from long-term borrowings	13,969,718	15,000,000
Repayment of long-term borrowings	(3,017,691)	(2,152,958)
Proceeds from issuance of shares	6,985,000	18,195,411
Proceeds from issuance of share acquisition rights	108,872	-
Proceeds from payments for deposits for subscriptions of shares	18,508	3,239
Proceeds from issuance of shares resulting from exercise of share acquisition rights	107,411	33,687
Expenditure due to financing expenses	(47,606)	(131,542)
Other	3,851	-
Cash flows from financing activities	10,423,789	31,447,837
Effect of exchange rate change on cash and cash equivalents	582,454	519,181
Increase (decrease) in cash and cash equivalents	(3,715,335)	16,573,053
Cash and cash equivalents at the beginning of the period	16,832,893	13,117,557
Cash and cash equivalents at end of the period	13,117,557	29,690,611

(After correction)

(Unit: Thousands of yen)

	Consolidated fiscal year ended March 31, 2025	Consolidated fiscal year ended March 31, 2026
Cash flows from operating activities		
Loss before income taxes and other adjustments (-)	(11,956,713)	(8,142,931)
Depreciation	162,364	228,057
Impairment loss	621,083	-
Government subsidy income	(228,639)	(2,583,796)
Interest expense	920,442	1,816,406
Foreign exchange loss	656,834	<u>(2,753,055)</u>
Financing expenses	374,888	131,542
Share issuance costs	-	64,064
Share-based payment expenses	454,119	116,039
Decrease (increase) in trade receivables	(1,468,699)	1,438,558
Decrease (increase) in advance payments to suppliers	1,916,244	1,031,809
Increase (decrease) in long-term advance payments - trade (- indicates increase)	(1,257,103)	(3,636,031)
Increase (decrease) in contract liabilities	(669,684)	(1,886,786)
Increase (decrease) in provision for loss on orders received	105,656	(108,880)
Increase (decrease) in allowance for doubtful accounts	32,312	(31,790)
Other	(1,107,384)	(93,406)
Subtotal	<u>(11,444,276)</u>	<u>(14,410,200)</u>
Subsidies received	228,639	2,583,796
Interest and dividends received	95,754	140,901
Interest paid	(925,620)	(1,873,675)
Income taxes paid	(4,305)	(9,180)
Cash flows from operating activities	<u>(12,049,809)</u>	<u>(13,568,357)</u>
Cash flows from investing activities		
Purchase of property and equipment	(2,440,499)	<u>(2,060,756)</u>
Purchase of intangible assets	(85,811)	(9,009)
Other	(145,459)	<u>244,159</u>
Cash flows from investing activities	<u>(2,671,770)</u>	<u>(1,825,606)</u>
Cash flows from financing activities		
Proceeds from short-term borrowings	5,000,000	500,000
Repayments of short-term borrowings	(12,704,274)	-
Proceeds from long-term borrowings	13,969,718	15,000,000
Repayment of long-term borrowings	(3,017,691)	(2,152,958)
Proceeds from issuance of shares	6,985,000	18,195,411
Proceeds from issuance of share acquisition rights	108,872	-
Proceeds from payments for deposits for subscriptions of shares	18,508	3,239
Proceeds from issuance of shares resulting from exercise of share acquisition rights	107,411	33,687
Expenditure due to financing expenses	(47,606)	(131,542)
Other	3,851	-
Cash flows from financing activities	<u>10,423,789</u>	<u>31,447,837</u>
Effect of exchange rate change on cash and cash equivalents	582,454	519,181
Increase (decrease) in cash and cash equivalents	(3,715,335)	16,573,053
Cash and cash equivalents at the beginning of the period	16,832,893	13,117,557
Cash and cash equivalents at end of the period	<u>13,117,557</u>	<u>29,690,611</u>

(Attached document p.14)

1. Impairment of non-current assets

(1) Amounts recorded in the consolidated financial statements for the fiscal year

(Before correction)

(Unit: Thousands of yen)

	Previous consolidated fiscal year (March 31, 2025)	Current consolidated fiscal year (March 31, 2026)
Property, plant and equipment (After recording impairment loss)	4,859,419	7,218,344
Intangible assets (After recording impairment loss)	89,083	55,200
Impairment loss	621,083	-

Although our group operates a single segment in the lunar development business, we group business assets based on management units, determine whether there are indications of impairment for each asset group, and for asset groups where such indications are recognized, we assess whether impairment should be recognized.

As a result, although there were indications of impairment, since the total undiscounted future cash flows exceeded the carrying amount of the assets, it was determined that recognition of an impairment loss was unnecessary, and therefore no impairment loss has been recorded.

(After correction)

(Unit: Thousands of yen)

	Previous consolidated fiscal year (March 31, 2025)	Current consolidated fiscal year (March 31, 2026)
Property, plant and equipment (After recording impairment loss)	4,859,419	7,218,344
Intangible assets (After recording impairment loss)	89,083	55,200
Impairment loss	621,083	-

The Group determines whether it is necessary to recognize impairment losses for asset groups when indications of impairment are identified, such as when operating profit or cash flows from operating activities have been continuously negative. During the current consolidated fiscal year, the Group reviewed its asset grouping based on the actual status of business management and the interrelationship of cash flows. Whereas previously the Company and ispace Ops Japan Co., Ltd. had been treated as a single asset group and ispace EUROPE S.A. and ispace technologies U.S., inc. had each been treated as separate asset groups for impairment assessment, the Group has changed its method from the current consolidated fiscal year to assess impairment by treating the entire Group as one asset group.

As a result, although there were indications of impairment, since the total undiscounted future cash flows exceeded the carrying amount of the asset group, it was determined that recognition of an impairment loss was unnecessary, and therefore no impairment loss has been recorded.

“Financial Results Presentation for the Fiscal Year Ended March 31, 2026”

(Before correction)

Cashflow Statement		i s p a c e 27	
For FY 2026/3, operating cash flow (CF) and investing CF were at the same level as FY2025/3. Cash and cash equivalents were maintained by supplementing negative free cash flow by a capital increase and borrowings			
(Millions of yen)	FY 2026/3	FY 2025/3	Point: YoY comparison
	Results	Results	
Net cash used in operating activities	△13,190	△12,049	<ul style="list-style-type: none"> • Operating activities : Remained negative at the same level as FY 2025/3, primarily due to increased development expenses in the U.S. mission while the Japan mission (Mission 3) generated a cash surplus • Investing activities : In addition to relay satellites development in U.S., booked construction costs and other expenses related to the relocation of the HQ • Financing activities : Increased from FY 2025/3 due to secured cash inflows of ¥18.2 billion from the equity financing announced in October and ¥15 billion from long- and short-term borrowings
Net cash used in investing activities	△2,203	△2,671	
Free cash flow	△15,393	△14,721	
Net cash provided by financing activities	31,447	10,423	
Fluctuations due to stock issuance	18,195	6,985	
Fluctuations due to long-term borrowings	12,847	10,952	
Fluctuations due to short-term borrowings	500	△7,704	
Foreign currency translation adjustments on Cash and Cash Equivalent	519	582	
Net increase (decrease) in Cash and Cash Equivalent	16,573	△3,715	
Cash and Cash Equivalent	29,690	13,117	

(After correction)

Cashflow Statement		i s p a c e 27	
For FY 2026/3, operating cash flow (CF) and investing CF were at the same level as FY2025/3. Cash and cash equivalents were maintained by supplementing negative free cash flow by a capital increase and borrowings			
(Millions of yen)	FY 2026/3	FY 2025/3	Point: YoY comparison
	Results	Results	
Net cash used in operating activities	△13,568	△12,049	<ul style="list-style-type: none"> • Operating activities : Remained negative at the same level as FY 2025/3, primarily due to increased development expenses in the U.S. mission while the Japan mission (Mission 3) generated a cash surplus • Investing activities : In addition to relay satellites development in U.S., booked construction costs and other expenses related to the relocation of the HQ • Financing activities : Increased from FY 2025/3 due to secured cash inflows of ¥18.2 billion from the equity financing announced in October and ¥15 billion from long- and short-term borrowings
Net cash used in investing activities	△1,825	△2,671	
Free cash flow	△15,393	△14,721	
Net cash provided by financing activities	31,447	10,423	
Fluctuations due to stock issuance	18,195	6,985	
Fluctuations due to long-term borrowings	12,847	10,952	
Fluctuations due to short-term borrowings	500	△7,704	
Foreign currency translation adjustments on Cash and Cash Equivalent	519	582	
Net increase (decrease) in Cash and Cash Equivalent	16,573	△3,715	
Cash and Cash Equivalent	29,690	13,117	