Translation

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

Consolidated Financial Results for the Second Quarter of the Fiscal Year Ending March 31, 2027 [Japanese GAAP]

November 13, 2026

Company name: ispace, inc. Listing: Tokyo Stock Exchange

Securities code: 9348 URL: https://ispace-inc.com/

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Scheduled date for filing quarterly securities report: November 13, 2026

Scheduled date for commencing dividend payments: -

Preparation of supplementary materials on quarterly financial results: Yes

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 Second Quarter of the Fiscal Year Ending March 31, 2027 (from April 1, 2026 to September 30, 2026)

(1) Consolidated Operating Results (Cumulative) (Percentage figures represent year-on-year changes)

	Project Revenue		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	%	Millions of yen	%
Second quarter ended September 30, 2026	569	(74.1)	569	(74.1)	(8,853)	—	(10,445)	—	(10,451)	—
Second quarter ended September 30, 2025	2,193	63.5	2,193	63.5	(4,162)	—	(4,459)	—	(4,463)	—

(Note) Comprehensive income (loss)
Second quarter ended September 30, 2026: -9,460 Millions of yen (-%)
Second quarter ended September 30, 2025: -5,930 Millions of yen (-%)

	Basic net income (loss) per share	Diluted net income (loss) per share
	Yen	Yen
Second quarter ended September 30, 2026	(71.44)	-
Second quarter ended September 30, 2025	(42.17)	-

(Note)
1. Diluted net income (loss) per share for the second quarter of the fiscal year ended March 31, 2026 and the fiscal year ending March 31, 2027 are omitted for the reason that although there were dilutive shares, the Company posted basic net loss per share.
2. Project revenue is calculated by adding subsidy income from the government, etc. (Non-operating income) to Net sales.

(2) Consolidated Financial Position

	Total assets	Net assets	Equity-to-asset ratio
	Millions of yen	Millions of yen	%
Second quarter ended September 30, 2026	40,530	5,731	13.9
Fiscal year ended March 31, 2026	47,704	15,173	31.6

(Reference) Equity
Second quarter ended September 30, 2026: 5,622 Millions of yen
Fiscal year ended March 31, 2026: 15,064 Millions of yen

2. Cash Dividends

	Annual dividends per share				
	End of 1st quarter	End of 2nd quarter	End of 3rd quarter	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2026	—	0.00	—	0.00	0.00
Fiscal year ending March 31, 2027	—	0.00			
Fiscal year ending March 31, 2027 (forecast)			—	0.00	0.00

(Note) Revisions to the most recently announced dividend forecast: None

3. Forecast of Consolidated Financial Results for the Fiscal Year Ending March 31, 2027 (from April 1, 2026 to March 31, 2027)

(Percentage figures represent year-on-year changes)

	Project Revenue		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	%	Millions of yen	%	Yen
Full year	9.000	50.8	3,300	(0.2)	(17,700)	—	(13,000)	—	(13,000)	—	(88.86)

(Note) Revisions to the most recently announced earnings forecast: None

*Explanatory notes

(1) Changes in significant subsidiaries during the quarter (changes in specified subsidiaries resulting in change in scope of consolidation): Yes
New: 1 company (Company name: ispace S A)

(2) Application of accounting treatments specific to the preparation of quarterly consolidated financial statements: None

(3) 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 above: None
iii. Changes in accounting estimates: None
iv. Restatement of prior period financial statements: None

(4) 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 September 30, 2026	146,334,223	shares	As of March 31, 2026	146,209,683	shares
2) Number of treasury shares at the end of the period	As of September 30, 2026	152	shares	As of March 31, 2026	55	shares
3) Average number of shares during the period (cumulative from the beginning of the fiscal year)	Six Months Ended September 30, 2026	146,295,011	shares	Six Months Ended September 30, 2025	105,844,345	shares

* This summary of financial results is not subject to quarterly review procedures by a public accountant or an audit corporation.

* 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, (3) Forward-Looking Information, Including Consolidated Earnings Forecasts” on page 4 of the Appendix.

(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 quarterly financial result briefing session for institutional investors and securities analysts on November 13, 2026 (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) 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 first two quarters of the current consolidated fiscal year, geopolitical risks continued to rise in the global economy. Factors contributing to this included developments in various policies under the second administration of U.S. President Donald Trump, heightened tensions across the Middle East, particularly involving Iran, and developments in the international order centered on the United States and China. Against this backdrop, the outlook remained uncertain, with continued fluctuations in capital markets and foreign exchange rates.

Currently, in the field of lunar development to which our Group belongs, activity is accelerating, primarily in the United States, around two major themes: “cislunar security” in the region between Earth and the Moon (hereinafter “cislunar space”) and “lunar infrastructure development.” Regarding cislunar security, the U.S. Space Force has been increasingly recognizing the security implications of cislunar space. From September through November 2026, senior officials of the U.S. Space Force expressed the view that competition among nations in cislunar space is intensifying and that cislunar space should be made a priority in light of the expected increase in traffic to and from the Moon. Amid rising geopolitical tensions worldwide, similar discussions are spreading across countries. Issues relating to space and national security are therefore expected to extend beyond Earth orbit, further increasing the importance of Space Situational Awareness (SSA) and Space Traffic Management (STM) in cislunar space. Regarding lunar infrastructure development, in March 2026, the National Aeronautics and Space Administration (NASA) announced its Moon Base plan to establish a lunar base in stages through the 2030s. To implement the plan, NASA outlined plans to commission a total of 21 lunar landing missions over the three years from 2026 to 2028 and a cumulative total of more than 70 missions by 2036. In November 2026, NASA selected prime contractors for “CLPS 2,” a new commercial lunar transportation service intended to put these plans into action. The Company’s consolidated U.S. subsidiary, ispace technologies U.S., inc. (hereinafter “ispace-U.S.”), was selected as one of the prime contractors. Under this framework, which has a stated total contract value of 10 billion U.S. Dollars, ispace-U.S. will submit proposals for individual projects known as task orders, aiming to expand opportunities to secure orders from NASA for lunar transportation services. Under the previous CLPS program, which began in 2018, ispace-U.S. indirectly supported NASA’s lunar transportation missions as a subcontractor to a U.S. prime contractor. Under the new CLPS 2 framework, ispace-U.S. will be able to participate directly in bidding for individual projects as a prime contractor.

Alongside these active developments in the United States, activity in lunar development is also expected to continue to increase in other major countries. In Japan, discussions are underway to formulate the next Basic Plan on Space Policy. The government has set out policies to expand the space industry market, promote lunar exploration and development, and foster the private space industry through support from the Space Strategy Fund and the creation of government demand. In Europe, discussions on autonomous lunar policies are also progressing, including the announcement of a common policy for lunar exploration led by the European Space Agency (ESA), with “international cooperation and ensuring autonomy in priority areas” as its pillars. Supported by these policies, the markets for lunar transportation and lunar infrastructure-related services are expected to expand over the medium to long term.

In this context, total contract value (Note 1), a key performance indicator (KPI) for the Company, amounted to 18.7 billion yen for Mission 3 and 32.4 billion yen for Mission 4. Of these amounts, 15.0 billion yen for Mission 3 and 32.3 billion yen for Mission 4 have yet to be recognized (Note 2). The Group posted net sales of 569,094 thousand yen, operating loss of 8,853,872 thousand yen, ordinary loss of 10,445,416 thousand yen and interim net loss attributable to owners of parent of 10,451,838 thousand yen for the first two quarters of the current consolidated fiscal year. On the financial front, the Company borrowed 3.0 billion yen from The Shizuoka Bank, Ltd. in connection with repayments to financial institutions. The Company continued its efforts to maintain stable liquidity and strengthen its financial base, with cash and deposits amounting to 22,585,149 thousand yen.

Progress in development and sales activities for each mission during the first two quarters of the current consolidated fiscal year is described below.

For Mission 2.5, the Company signed a launch contract with Argo Space for transportation to lunar orbit. Under the plan, “Alpine,” a lunar-orbiting communications relay satellite currently under development by ispace-U.S., will be launched using Argo Space’s orbital transfer vehicle. The satellite is expected to be the Company’s first satellite to provide customers with Luna Connect services, including communications and positioning services, in cislunar space.

Regarding the development of Mission 3, the PDR (Note 3) for the ULTRA lander has been completed. Manufacturing of the flight model (Note 5) is scheduled to begin following the CDR (Note 4), and development is progressing smoothly. For the ULTRA lander’s propulsion system, for which a change was announced in March 2026, a main engine manufactured by Nammo and

thrusters manufactured by ArianeGroup have been selected. These engines and thrusters have track records of stable operation in space and in recent lunar landing missions. The Company will continue development toward their integration into the flight model. Net sales during the first two quarters of the current consolidated fiscal year were primarily attributable to Mission 3, whose development is progressing smoothly. The Company will continue to secure additional payload service contracts for Mission 3.

Mission 4 will also use the ULTRA lander, the Company's global model, following Mission 3. Development of the structural model has now begun, and recognition of net sales under payload service contracts has commenced. The PDR (Note 3) is scheduled to take place within fiscal year 2026. As development is expected to ramp up in the second half, project revenue (Note 6) for the current consolidated fiscal year is also expected to increase accordingly.

(Note 1) Contract values are converted using the TTM exchange rates prevailing at the time the contracts were signed.

(Note 2) Amounts not yet recognized as income are as of the publication date of this material. Amounts denominated in foreign currencies are converted into yen using the TTM exchange rates as of the most recent quarterly financial reporting date of each contracting entity. If the translated amount exceeds the contract value, the amount is capped at the contract value. These amounts are subject to change based on future stage-gate reviews and other factors, and receipt of the full amounts is not guaranteed.

(Note 3) Preliminary Design Review. A review meeting to verify the feasibility of design results against specifications and the design verification plan.

(Note 4) Critical Design Review. A review meeting to confirm the appropriateness of the detailed design and verification plan for manufacturing and testing.

(Note 5) The flight model to be launched.

(Note 6) "Project revenue" is an amount calculated by the Company by adding subsidy income to net sales recognized for accounting purposes. Subsidy income is recognized for accounting purposes at fiscal year-end.

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

(2) Financial Position

1. Status of Assets, Liabilities, and Net Assets

(Current Assets)

The balance of current assets at the end of the second consolidated quarter under review was 27,714,091 thousand yen, a decrease of 6,670,522 thousand yen compared to the end of the previous consolidated fiscal year. This decrease was primarily due to a decrease of 7,105,462 thousand yen in cash and deposits.

(Fixed Assets)

The balance of fixed assets at the end of the second consolidated quarter under review was 12,816,908 thousand yen, a decrease of 503,433 thousand yen compared to the end of the previous consolidated fiscal year. This was primarily due to a decrease of 855,643 thousand yen in long-term advance payments.

(Current Liabilities)

The balance of current liabilities at the end of the second consolidated quarter under review was 7,328,413 thousand yen, an increase of 1,631,469 thousand yen compared to the end of the previous consolidated fiscal year. This was primarily due to an increase of 811,422 thousand yen in short-term borrowings, an increase of 1,106,066 thousand yen in advance payments received.

(Non-current Liabilities)

The balance of non-current liabilities at the end of the second consolidated quarter under review was 27,471,134 thousand yen, an increase of 636,608 thousand yen compared to the end of the previous consolidated fiscal year. This was primarily due to an increase of 633,895 thousand yen in long-term borrowings.

(Net Assets)

The balance of net assets at the end of the second consolidated quarter under review was 5,731,451 thousand yen, a decrease of 9,442,033 thousand yen compared to the end of the previous consolidated fiscal year. This decrease was primarily due to a reduction of 10,451,838 thousand yen in retained earnings.

2. Cash Flow Situation

Cash and cash equivalents (hereinafter referred to as “funds”) for the end of the second consolidated quarter decreased by 7,105,462 thousand yen compared to the end of the previous consolidated fiscal year, reaching 22,585,149 thousand yen at the end of the second consolidated quarter. The status of each cash flow and the factors affecting them during six-month period are as follows.

(Cash Flows from Operating Activities)

Funds used in operating activities amounted to 7,875,564 thousand yen. This was primarily due to the recording of net loss before taxes and other adjustments of 10,445,416 thousand yen, while long-term advance payments decreased by 1,036,203 thousand yen.

(Cash Flows from Investing Activities)

Cash used in investing activities amounted to 643,225 thousand yen. This was primarily due to the acquisition of tangible fixed assets for 714,666 thousand yen.

(Cash Flows from Financing Activities)

Cash provided by financing activities amounted to 1,459,501 thousand yen. This was primarily due to proceeds from long-term borrowings of 2,997,990 thousand yen.

(3) Forward-Looking Information, Including Consolidated Earnings Forecasts

Regarding consolidated earnings forecast, no change has been made to the consolidated earnings forecast for the full consolidated fiscal year announced in the “(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” on May 28, 2026.

(4) 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 require 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 second quarter, there are events or circumstances that could raise significant doubt regarding the ability of the Group to operate as a going concern. The Group is working 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.

(1) Promotion of Research and Development

In order to carry out Mission 3 utilizing a new commercialized model developed by the Japanese entity, and Mission 4 which we decided to begin development upon selection for the Space Strategy Fund, the Group will steadily advance the development of lunar landers and rovers by strictly managing development schedule and development costs as well as development quality, while securing launching opportunities by launch service providers.

(2) Customer Development

The landers and rovers required for the Company to achieve business earnings are under development. The global market in which the Company anticipates business earnings is in its pioneer days. The Company has currently confirmed potential orders from customers for Mission 2.5 through Mission 4 and will continue to cultivate a sustainable customer market over the medium to long term to stabilize business earnings.

(3) Securing Human Resources

The Company is continuously hiring human resources 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 human resource to demonstrate their full abilities in the organization in which the number of employees is rapidly expanding.

(4) 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, subsidiary management, and security management for the Group to continuously expand business in the future.

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

Continuing to achieve 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. The Company has so far raised funds by methods including unsecured convertible bond, third-party allotment of shares, borrowings from financial institutions, crowdfunding and public offering, and will consider the possibilities of flexible fundraisings to promote the missions in the future.

In addition, the Company entered into an insurance contract with Mitsui Sumitomo Insurance Company, Limited for Mission 1 and 2. The Company received an insurance payment for Mission 1, as Success 9 and 10 of the 10 success milestones set for Mission 1 were not achieved. Since Mission 2 fell outside the scope of the insurance coverage, the Company did not receive an insurance payment for the mission. The Company recognizes insurance as one measure of reducing risk and ensuring financial stability, and is considering utilizing insurance for Mission 3 and beyond.

With respect to borrowings from financial institutions, the Company entered into loan agreements totaling 19.3 billion yen (including refinancing) during the fiscal year ended March 31, 2025, and also entered into loan agreements totaling 15.5 billion yen (including refinancing) during the fiscal year ended March 31, 2026. In addition, during the second quarter of the current consolidated fiscal year, we entered into a loan agreement of 1 billion yen with Asahi Shinkin Bank in April 2026, 3 billion yen with Shizuoka Bank in September 2026, and have secured sufficient short-term liquidity with cash on hand and deposits of 22.5 billion yen (as of the end of September 2026).

Regarding capital raising, in October 2024, we entered into an Equity Program Agreement with CVI Investments, Inc. and issued new shares and stock acquisition rights through a third-party allotment. Furthermore, from October 2025 to November 2025, we conducted a public offering and third-party allotments of new shares totaling 18.2 billion yen, along with a secondary offering of our shares through an over-allotment. As of the date of this document, payment has been completed.

2. Interim Consolidated Financial Statements and Significant Notes

(1)Interim Consolidated Balance Sheet

(Unit: Thousands of yen)

	As of March 31, 2026	As of September 30, 2026
Assets		
Current assets		
Cash and deposits	29,690,611	22,585,149
Accounts receivable - trade	28,333	262
Contract assets	—	17,713
Advance payments – trade	3,991,994	4,416,617
Work in process	28,902	29,581
Other	644,771	664,767
Total current Assets	34,384,613	27,714,091
Non-current assets		
Property and equipment		
Facilities attached to buildings	925,563	903,271
Tools, furniture and fixtures	1,217,455	1,283,705
Right-of-use assets	196,128	154,939
Construction in progress	5,407,758	5,986,717
Other	6,899	6,899
Accumulated depreciation	(535,462)	(664,311)
Total Property and equipment	7,218,344	7,671,222~~103,212~~
Intangible assets		
Software	54,270	35,098
Other	930	940
Total intangible assets	55,200	36,039
Investment and other assets		
Long term advance payment	5,515,551	4,659,908
Other	531,245	449,738
Total investments and other assets	6,046,797	5,109,646
Total non-current assets	13,320,342	12,816,908
Total assets	47,704,955	40,530,999
Liabilities		
Current liabilities		
Short-term borrowings	3,089,806	3,901,229
Contract liabilities	754,204	1,153,218
Provision for share-based compensation	22,737	41,514
Advance received	—	1,106,066
Other	1,830,195	1,126,384
Total current liabilities	5,696,943	7,328,413
Non-current liabilities		
Long-term borrowings	26,353,510	26,987,405
Provision for stock-based compensation	62,272	105,417
Other	418,743	378,311
Total non-current liabilities	26,834,526	27,471,134
Total liabilities	32,531,470	34,799,547

(Unit: Thousands of yen)

	As of March 31, 2026	As of September 30, 2026
Net assets		
Shareholders' equity		
Common stock	20,720,194	20,730,972
Deposits for subscriptions to shares	3,239	—
Capital surplus	20,627,172	20,637,950
Retained earnings	(25,079,815)	(35,531,653)
Treasury stock	(65)	(112)
Total shareholders' equity	16,270,727	5,837,157
Accumulated other comprehensive income		
Foreign currency translation adjustment	(1,206,460)	(214,898)
Total accumulated other comprehensive income	(1,206,460)	(214,898)
Stock acquisition rights	109,218	109,193
Total net assets	15,173,485	5,731,451
Total liabilities and net assets	47,704,955	40,530,999

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

(Interim Consolidated Statement of Income (Loss))

(Unit: Thousands of yen)

	April 1, 2025 to September 30, 2025	April 1, 2026 to September 30, 2026
Net sales	2,193,964	569,094
Cost of sales	1,811,251	5,776,606
Gross profit (loss)	382,712	(5,207,511)
Selling, general and administrative expenses		
Research and development expenses	2,279,537	1,063,405
Salaries and allowances	939,754	936,791
Other	1,325,790	1,646,164
Total selling, general and administrative expenses	4,545,082	3,646,360
Operating income (loss)	(4,162,369)	(8,853,872)
Non-operating income		
Interest income	59,590	52,744
Foreign exchange gains	505,840	—
Other	3,180	6,466
Total non-operating income	568,611	59,210
Non-operating expenses		
Interest expenses	851,411	974,438
Foreign exchange losses	—	674,550
Other	14,683	1,764
Total non-operating expenses	866,094	1,650,754
Ordinary income (loss)	(4,459,853)	(10,445,416)
Extraordinary losses		
Loss on retirement of non-current assets	0	0
Total extraordinary losses	0	0
Income (loss) before income taxes	(4,459,853)	(10,445,416)
Income taxes - current	3,645	6,422
Total income taxes	3,645	6,422
Net income (loss)	(4,463,498)	(10,451,838)
Net income (loss) attributable to owners of parent	(4,463,498)	(10,451,838)

(Interim Consolidated Statement of Comprehensive Income (Loss))

(Unit: Thousands of yen)

	April 1, 2025 to September 30, 2025	April 1, 2026 to September 30, 2026
Net income (Loss)	(4,463,498)	(10,451,838)
Other comprehensive income (loss)		
Foreign currency translation adjustment	(1,466,558)	991,561
Total other comprehensive income (loss)	(1,466,558)	991,561
Comprehensive income (loss)	(5,930,057)	(9,460,277)
(Breakdown)		
Comprehensive income attributable to owners of parent	(5,930,057)	(9,460,277)

(3)Interim Consolidated Statement of Cash Flows

(Thousands of yen)

	April 1, 2025 to September 30, 2025	April 1, 2026 to September 30, 2026
Cash flows from operating activities		
Loss before income taxes	(4,459,853)	(10,445,416)
Depreciation	87,918	200,123
Interest expenses	851,411	974,438
Foreign exchange losses (gains)	(479,398)	677,563
Commission expenses	11,750	3,060
Share-based compensation expense	39,453	61,922
Decrease (increase) in trade receivables	1,145,743	10,426
Decrease (increase) in advance payments to suppliers	(303,150)	(363,237)
(Increase) decrease in long-term advance payment	(2,109,858)	(1,036,203)
Increase (decrease) in contract liabilities	(1,924,094)	397,218
Increase (decrease) in provision for loss on orders received	(3,167)	—
Increase (decrease) in allowance for doubtful accounts	27,068	—
Other, net	44,335	585,219
Subtotal	(7,071,840)	(8,032,916)
Subsidy received	1,275,124	1,106,066
Interest and dividends received	59,591	52,744
Interest paid	(905,040)	(993,067)
Income taxes paid	(5,615)	(8,392)
Net cash provided by (used in) operating activities	(6,647,780)	(7,875,564)
Cash flows from investing activities		
Purchase of property, plant and equipment	(765,496)	(714,666)
Purchase of intangible assets	(6,463)	—
Other, net	(54,237)	71,441
Net cash provided by (used in) investing activities	(826,198)	(643,225)
Cash flows from financing activities		
Proceeds from short-term borrowings	500,000	999,950
Repayments of short-term borrowings	—	(500,000)
Proceeds from long-term borrowings	14,988,250	2,997,990
Repayments of long-term borrowings	(728,968)	(2,054,681)
Proceeds from issuance of shares resulting from exercise of share acquisition rights	24,205	18,290
Proceeds from receipt of deposits for subscriptions to shares	1,937	—
Purchase of treasury shares	—	(47)
Payments for financing costs	—	(2,000)
Other, net	570	—
Net cash provided by (used in) financing activities	14,785,994	1,459,501
Effect of exchange rate change on cash and cash equivalents	(351,051)	(46,173)
Net increase (decrease) in cash and cash equivalents	6,960,964	(7,105,462)
Cash and cash equivalents at beginning of period	13,117,557	29,690,611
Cash and cash equivalents at end of period	20,078,522	22,585,149

(4) Notes to Interim Consolidated Financial Statements

(Notes on Going Concern Assumption)

Not applicable.

(Notes in Case of Significant Changes in the Amounts of Shareholder's Equity)

Not applicable.

(Notes to Interim Consolidated Balance Sheet)

Financial Covenants

Previous consolidated fiscal year (March 31, 2026)

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

Contract on November 10, 2023 (balance as of the end of the current consolidated fiscal year: 1,189,806 thousand yen)

1) The total amount of net assets in the consolidated balance sheet as of the end of each quarterly consolidated fiscal period should be maintained positive.

2) The total amount of cash and deposits indicated in the consolidated balance sheet as of the end of each quarterly consolidated fiscal period should be maintained at 3 billion yen or more.

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

Contract on April 25, 2024 (balance as of the end of the current consolidated fiscal year: 1,851,269 thousand yen)

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

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

(3) Of the borrowings as of the end of the current consolidated fiscal year, syndicated loan agreement between the Company and several financial institutions contains the following financial covenants.

Contract on July 26, 2024 (balance as of the end of the current consolidated fiscal year: 8,206,240 thousand yen)

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

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

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

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

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

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

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

Contract on May 14, 2025 (balance as of the end of the current consolidated fiscal year: 4,896,000 thousand yen)

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

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

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

Contract on May 23, 2025 (balance as of the end of the current consolidated fiscal year: 10,000,000 thousand yen)

1) The total amount of net assets indicated in the consolidated balance sheet as of the end of each consolidated fiscal year should be maintained positive.
2) The total amount of cash and deposits indicated in the consolidated balance sheet as of the end of each consolidated fiscal year should be maintained at 3 billion yen or more.

Second Quarter of the Consolidated Fiscal Year Ending March 31, 2027 (September 30, 2026)
(1) Of the borrowings as of the end of the second quarter of the current consolidated fiscal year, loan agreement between the Company and a correspondent bank contains the following financial covenants.
Contract on April 25, 2024 (balance as of the end of the second quarter of the current consolidated fiscal year: 1,851,269 thousand yen)
1) The total amount of net assets indicated in the consolidated balance sheet as of the end of each consolidated fiscal year should be maintained positive.
2) The total amount of cash and deposits indicated in the consolidated balance sheet as of the end of each consolidated fiscal year should be maintained at 3 billion yen or more.

(2) Of the borrowings as of the end of the second quarter of the current consolidated fiscal year, syndicated loan agreement between the Company and several financial institutions contains the following financial covenants.
Contract on July 26, 2024 (balance as of the end of the second quarter of the current consolidated fiscal year: 7,726,856 thousand yen)
1) The total amount of net assets indicated in the consolidated balance sheet as of the end of each consolidated fiscal year should be maintained positive.
2) The total amount of cash and deposits indicated in the consolidated balance sheet as of the end of each consolidated fiscal year should be maintained at 3 billion yen or more.

(3) Of the borrowings as of the end of the second quarter of the current consolidated fiscal year, loan agreement between the Company and a correspondent bank contains the following financial covenants.
Contract on March 31, 2025 (balance as of the end of the second quarter of the current consolidated fiscal year: 1,049,960 thousand yen)
1) The total amount of net assets indicated in the consolidated balance sheet as of the end of each consolidated fiscal year should be maintained positive.
2) The total amount of cash and deposits indicated in the consolidated balance sheet as of the end of each consolidated fiscal year should be maintained at 3 billion yen or more.

(4) Of the borrowings as of the end of the second quarter of the current consolidated fiscal year, loan agreement between the Company and a correspondent bank contains the following financial covenants.
Contract on May 14, 2025 (balance as of the end of the second quarter of the current consolidated fiscal year: 4,860,549 thousand yen)
1) The total amount of net assets indicated in the consolidated balance sheet as of the end of each consolidated fiscal year should be maintained positive.
2) The total amount of cash and deposits indicated in the consolidated balance sheet as of the end of each consolidated fiscal year should be maintained at 3 billion yen or more.

(5) Of the borrowings as of the end of the second quarter of the current consolidated fiscal year, loan agreement between the Company and a correspondent bank contains the following financial covenants.
Contract on May 23, 2025 (balance as of the end of the second quarter of the current consolidated fiscal year: 10,000,000 thousand yen)
1) The total amount of net assets indicated in the consolidated balance sheet as of the end of each consolidated fiscal year should be maintained positive.
2) The total amount of cash and deposits indicated in the consolidated balance sheet as of the end of each consolidated fiscal year should be maintained at 3 billion yen or more.

(6) Of the borrowings as of the end of the second quarter of the current consolidated fiscal year, loan agreement between the Company and a correspondent bank contains the following financial covenants.
Contract on September 30, 2026 (balance as of the end of the second quarter of the current consolidated fiscal year: 3,000,000 thousand yen)

1) The total amount of net assets indicated in the consolidated balance sheet as of the end of each consolidated fiscal year should be maintained positive.
2) The total amount of cash and deposits indicated in the consolidated balance sheet as of the end of each consolidated fiscal year should be maintained at 3 billion yen or more.

(Segment Information, etc.)

Ⅰ Second quarter of the previous consolidated fiscal year(from April 1, 2025 to September 30, 2025)

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

Ⅱ Second quarter of the current consolidated fiscal year(from April 1, 2026 to September 30, 2026)

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

(Significant Subsequent Events)

None.