



Press Release

February 12, 2025
ispace, inc.

ispace Reports Third Quarter Financial Results for Fiscal Year Ending March 2025

Earnings forecast for the current fiscal year revised upwards due to a change in the sales recognition criteria for Mission 2

Due to a reordering of missions, Japan's Mission 6 supported by SBIR becomes company's fourth mission

TOKYO – February 12, 2025—ispace, inc. (ispace) ([TOKYO: 9348](#)), a global lunar exploration company, today announced its financial results for the third quarter for the fiscal year ending March 31, 2025.

In addition, ispace updated its mission ordering to reflect current scheduling. The former Mission 6 scheduled for 2027, which was selected for the “Small Business Innovation Research” (SBIR) grant from Japan’s Ministry of Economy, Trade and Industry in 2023, will now be referred to as the company’s fourth mission due to rescheduling of U.S. missions. The mission will utilize the tentatively named Series 3 lunar lander, which is currently being developed in Japan using SBIR subsidies.

“ispace successfully completed the launch of the RESILIENCE lander for Mission 2 on January 15, and we have continued to make progress while achieving milestones. Based on this smooth progress, after consulting with our auditing firm, we have determined that it is now possible to reasonably estimate the degree of progress in cost accrual, and we plan to change the accounting standard for Mission 2 from the previous “cost recovery standard” to “a method of recognizing revenue based on the degree of progress of performance obligations,” said Jumpei Nozaki, CFO & Executive Business Director of ispace. “As a result, the recording of gross profit on Mission 2, which was originally scheduled for next fiscal year, will be brought forward to this fiscal year, and we expect to see a significant increase in revenue in Q4 of this fiscal year.”

“We will continue to focus our efforts on the landing of Mission 2, and we will utilize the knowledge gained through the mission in the development of subsequent missions, and we will steadily advance the construction of our business.”

For details, please refer to the Q3 Financial Results for the Fiscal Year Ending March 2025 [Japanese GAAP] (Consolidated) document released today on our IR site. We will also disclose Q3 financial results briefing materials, video recordings of financial results briefings, and transcripts of financial results briefings on the same site in due course.

IR site: <https://ir.ispace-inc.com/jpn/news/>

Overview

1. Revision of Earnings Forecast
 - Net sales: 4,467 million yen

Based on the steady progress of Mission 2, and as a result of discussions with the auditing firm, ispace has determined that it is now possible to reasonably estimate the degree of progress using

the cost accrual method, and the sales recording standard is scheduled to be changed from the “cost recovery standard” to the “method of recognizing revenue based on the degree of progress of performance obligations” from Q4 of the current fiscal year. As a result, while sales for this period are expected to be +1.7 billion yen, sales for Mission 3 are expected to be -1.4 billion yen due to a delay in cost accounting, so the result is expected to be +0.4 billion yen from the previous forecast.

- Gross profit: 2,325 million yen

Due to the above-mentioned change in sales recording methods, the recording of gross profit, which was originally scheduled for the next fiscal year when the mission is completed, has been brought forward to the current quarter, and is expected to be approximately 1.8 billion yen higher than the previous forecast.

- Operating income/loss: -9,872 million yen

In addition to the above factors, there is also a delay in the recording of associated R&D expenses, which is expected to have an impact of approximately -1.3 billion yen, as well as a delay in the recording of costs, mainly related to Mission 3, which is expected to have an impact of approximately +3.2 billion yen compared to the previous forecast.

- Net income/loss for the period: -10,763 million yen

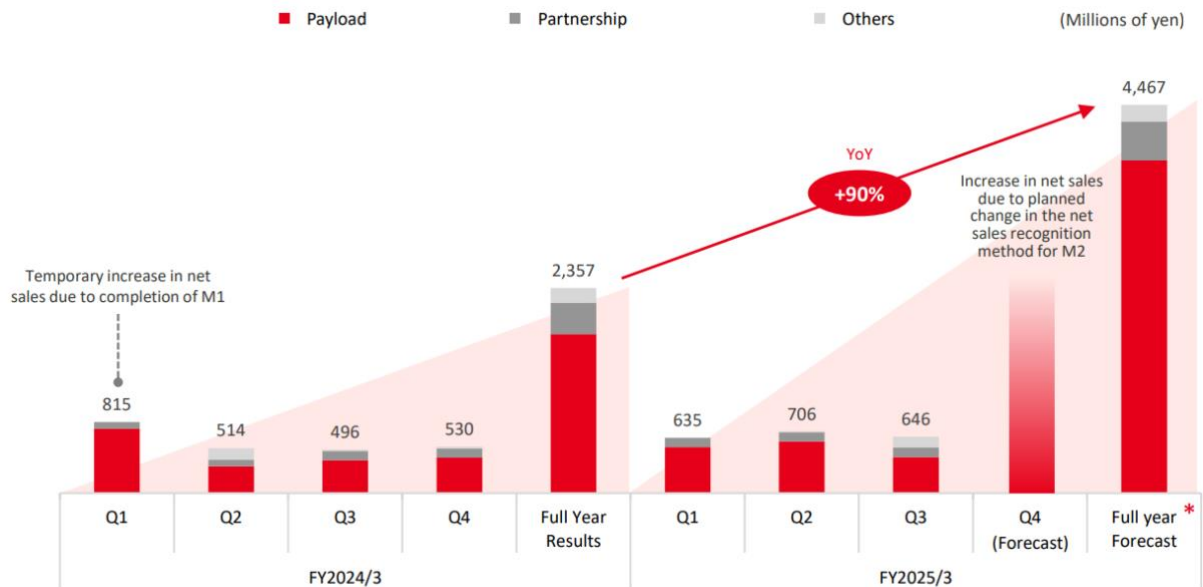
The previous forecast has been revised upwards by approximately 1.7 billion yen, reflecting a delay of approximately 1.2 billion yen in the receipt of a portion of the SBIR subsidy, which was expected as non-operating income, and the impairment of fixed assets of approximately 400 million yen, which was disclosed in the Q2 financial results for the current fiscal year.

(Millions of yen)	FY2025/3	FY2024/3 (Previous year)		
	Revised Forecast	Previous Forecast	%Change	Change
Net Sales ⁽¹⁾	4,467	4,033	+10.8%	+434
Gross Profit	2,325	522	+345.4%	+1,803
Gross Profit Margin	52.0%	12.9%	-	-
SG&A	12,197	13,688	-10.9%	-1,491
Operating Profit/Loss	-9,872	-13,165	-	+3,293
Ordinary Profit/Loss	-10,774	-12,461	-	+1,687
Net Profit/Loss	-10,763	-12,465	-	+1,702

Revised Forecast

2. Sales Forecast by Service

Sales for this quarter are behind schedule due to the delay in the generation of costs for Mission 3, but we expect to see a significant increase in sales in Q4 due to the change in the sales recording criteria for Mission 2.



Sales Forecast By Service

3. Q3 Cumulative Business Results

- Net sales: 1,989 million yen

While there was no impact from the one-time sales increase (+575 million yen) associated with the completion of Mission 1 in the previous period, sales from Mission 3 increased significantly year-on-year, up 87.1%.

- Operating income/loss: -6,434 million yen

Compared to the same period of the previous year, the operating loss increased due to the absence of the recording of gross profit from the one-time sales increase associated with the completion of Mission 1, as well as an increase in R&D expenses compared to the same period of the previous year.

- Net income (loss): -7,365 million yen

Compared to the same period of the previous year, the net loss increased due to the following factors:

- ✓ The impact of recording foreign exchange gains in the first three quarters of the current fiscal year (YoY increase of 532 million yen)
- ✓ The impact of the absence of the receipt of lunar insurance premiums, which was recorded as an extraordinary gain in Q2 of the previous fiscal year (YoY decrease of 3,793 million yen)
- ✓ The impact of the recording of an extraordinary loss in Q2 of the current fiscal year due to a change in the use of certain assets (YoY decrease of 596 million yen)

(Millions of yen)	FY2025/3	FY2024/3 (Previous year)		FY2025/3 (Forecast*) *Disclosed today 2/12	
	Q3 Cumulative	Q3 Cumulative	%Change	Full Year Forecasts	%Progress
Net Sales	1,989	1,826	+8.9%	4,467	44.5%
Gross Profit	368	804	-54.2%	2,325	15.8%
Gross Profit Margin	18.5%	44.1%	-	52.0%	-
SG&A	6,802	4,553	+49.4%	12,197	53.1%
Operating Profit/Loss	-6,434	-3,748	-	-9,872	-
Ordinary Profit/Loss	-6,779	-4,590	-	-10,774	-
Net Profit/Loss	-7,365	-836	-	-10,763	-

Profit and Loss Statement

ispace is leveraging its global presence through its three business units in Japan, the U.S., and Luxembourg, for the simultaneous development of upcoming missions. Mission 2, featuring the RESILIENCE lunar lander, is led by ispace Japan and was launched on Jan. 15, 2025. It is currently traveling to the Moon. During the mission, the TENACIOUS micro rover will be deployed on the lunar surface to conduct a technological demonstration of regolith extraction as well as mobility on the lunar surface. Mission 3, debuting the APEX 1.0 lunar lander, is led by ispace-U.S. and is expected to launch in 2026. Mission 6, which will utilize the Series 3 lander, currently being designed in Japan, is scheduled to be launched by 2027.

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About ispace, inc. (<https://ispace-inc.com>)

ispace, a global lunar resource development company with the vision, “Expand our planet. Expand our future.”, specializes in designing and building lunar landers and rovers. ispace aims to extend the sphere of human life into space and create a sustainable world by providing high-frequency, low-cost transportation services to the Moon. The company has business entities in Japan, Luxembourg, and the United States with more than 300 employees worldwide. For more information, visit: www.ispace-inc.com and follow us on X: @ispace_inc.