

AXELSPACE

Consolidated Financial Summary for First Quarter of the Fiscal Year Ending May 2027

Axelspace Holdings Corporation

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

October 15, 2026

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

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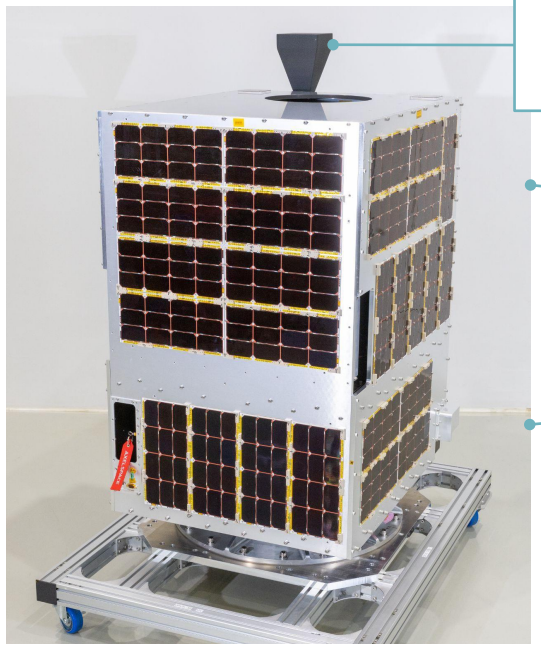
IV. **Management Strategy**

Appendix

Regarding the Location of the Anomaly in the 4 GRUS-3 Satellites

An anomaly occurred in the 'power amplifier' of the high-speed communication system that transmits images to the ground. Other satellite functions are operating normally.

- GRUS-3 is equipped with two types of communication systems: a high-speed communication system and a low-speed communication system
- The anomaly occurred in the power amplifier of the high-speed communication system, which transmits large volumes of mission data, such as captured images, to ground stations. The power amplifier has been determined to have suffered a permanent failure.
- A power amplifier is a component that amplifies transmitted radio waves to a sufficient strength to deliver data from space to the ground station.



High-speed communication antenna

The high-speed and low-speed communication systems are independent, so even if one fails, the other continues to operate normally.

Inside the satellite
Installed in the mission payload

High-speed communication system

Transmits mission data such as large-capacity images captured

Inside the satellite
Installed in the satellite bus

Low-speed communication system

Capable of receiving commands from ground and transmitting the following telemetry data to monitor the satellite's status

- Satellite position and attitude information
- Equipment temperature, voltage, and current
- Operational status of onboard equipment, etc.

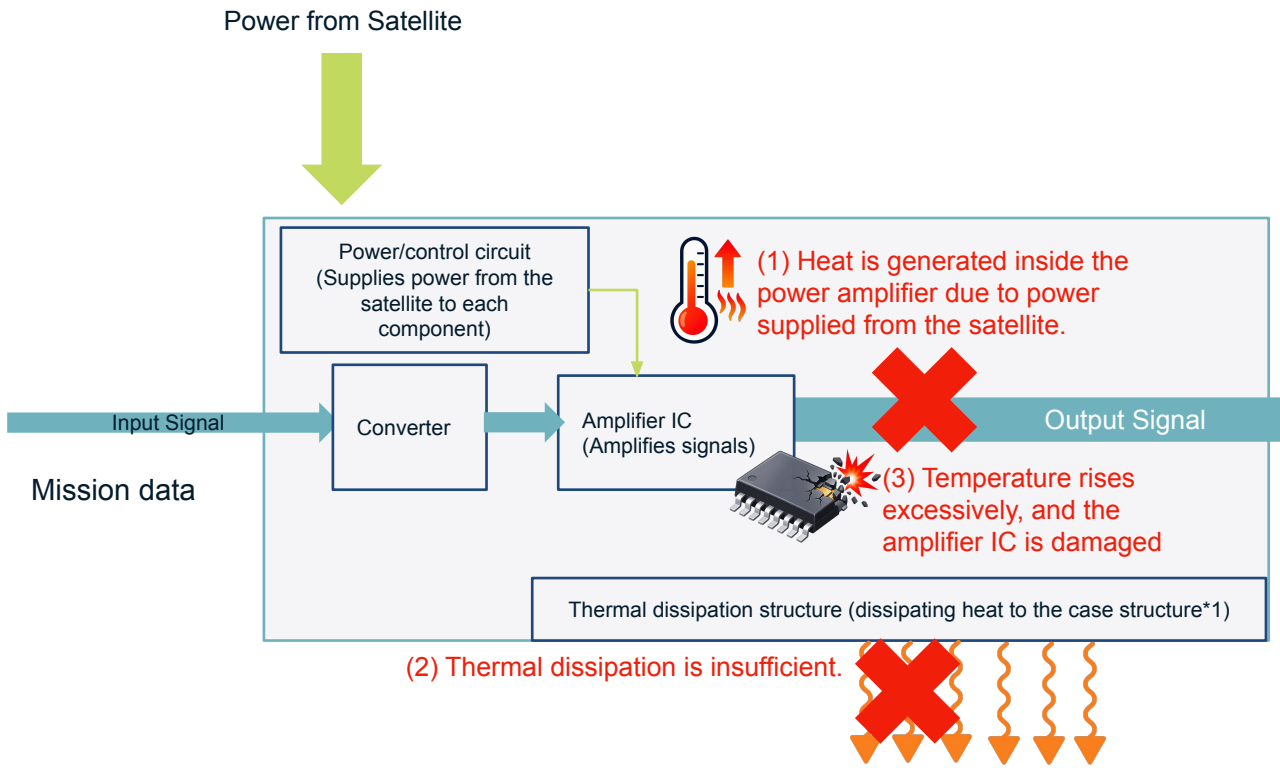
<Mechanism for data transmission to the ground station via the high-speed communication system>

Telescope	Observe and capture images of the ground using onboard sensors
▼	
Data recorder	Stores mission data such as captured images
▼	
Transmitter	Converts mission data into radio waves
Power amplifier	Amplifies radio-frequency signals to a power level sufficient for transmission to the ground station. **Location of the anomaly**
▼	
Antennas	Transmits the amplified radio waves to the ground station

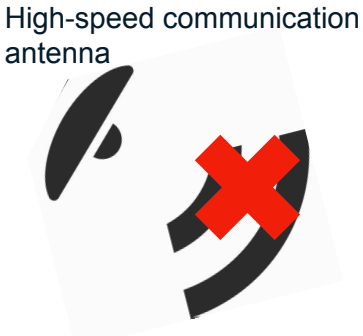
Assessment of the Cause of the Anomaly

It is estimated that insufficient thermal dissipation from the power amplifier caused the internal amplifier IC to reach an abnormally high temperature, resulting in damage.

Internal Configuration of the Power Amplifier (Schematic Diagram)



<Estimated Sequence of Amplifier IC Damage>
(1) Heat is generated inside the power amplifier due to power supplied from the satellite.
(2) Due to design issues in the thermal dissipation structure, heat cannot be sufficiently dissipated.
(3) Internal temperature rises excessively, and the amplifier IC is damaged.
(4) Radio waves cannot be amplified, making it impossible to transmit large-capacity mission data, such as images, to the ground station via the high-speed communication system.



(4) Radio waves cannot be amplified, making it impossible to transmit large-capacity mission data, such as images, to the ground station via the high-speed communication system.



Note: Images are conceptual representations of each device.
*1 Outer shell (case) that protects and houses the power amplifier

Operational Policy for the Three Satellites That Have Not Experienced an Anomaly

- For the three satellites that have not experienced an anomaly (GRUS-3A, 3C, and 3D), we will work on downloading data for commercial operation while preventing excessive temperature increases in the power amplifiers in space by reducing their power consumption.
- As we have decided to conduct these operations cautiously on a satellite-by-satellite basis, the planned commencement of commercial operations for these three satellites has been postponed by two months. We will continue initial operations, targeting the commencement of commercial operations in February 2027.
- Currently, we are conducting data downlinks using the high-speed communication system on GRUS-3C.

Operational Schedule (Plan) for the Three Satellites That Have Not Experienced an Anomaly

Period	Content
Through January 2027	Continuation of initial operations
February 2027	Target commencement of commercial operations



GRUS-3A being deployed into orbit

Cause Verification/Reporting for the Four Affected Satellites

- For the four affected satellites (GRUS-3B, 3E, 3F, and 3G), the “GRUS-3 Anomaly Review Advisory Board,” which the Company has decided to establish, will evaluate the validity of Axelspace’s assessment of the causes of the anomaly and its proposed countermeasures for satellites scheduled for future launches. The members of the Advisory Board have been finalized as follows:
- Plan to compile and publish the final report by the end of November

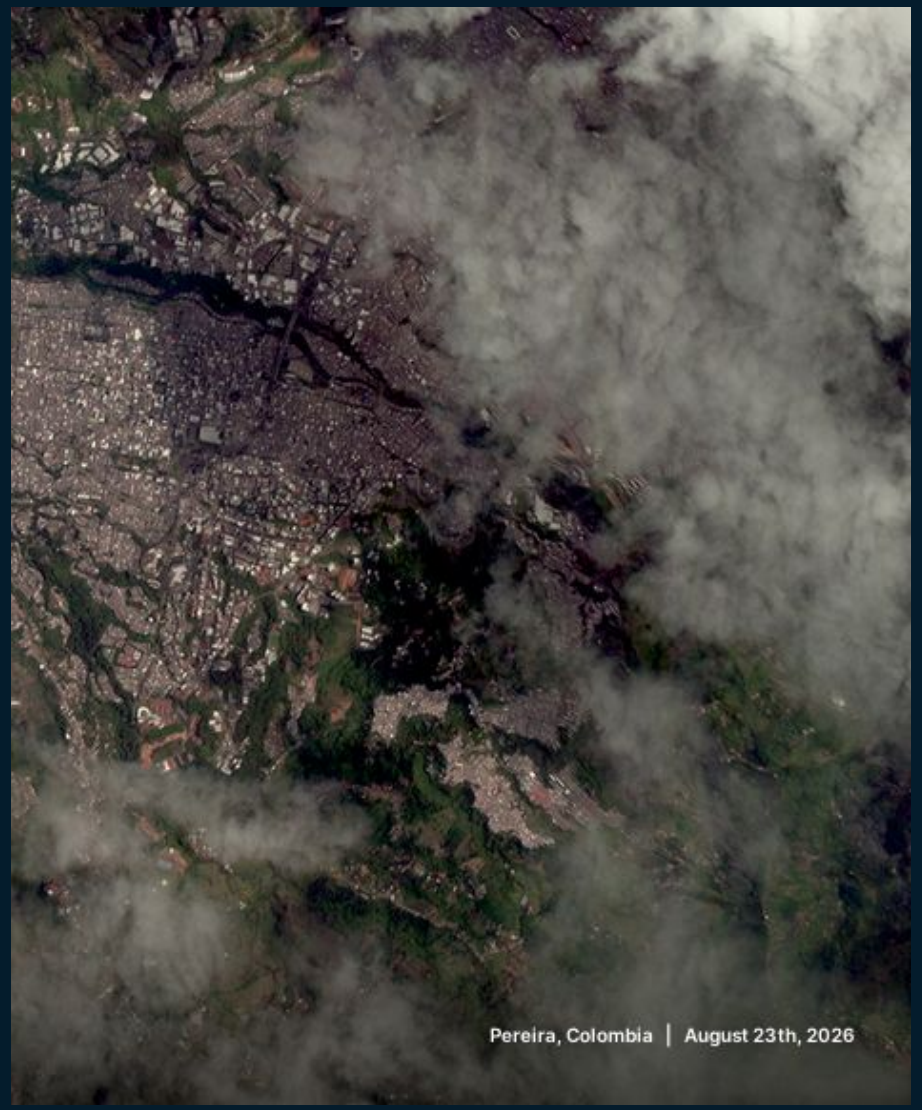
Cause Verification/Reporting Schedule for the Four Affected Satellites

Period	Content
October 6, 2026	Decision to establish the "GRUS-3 Anomaly Review Advisory Board"
October 15, 2026	Finalization of the members of the "GRUS-3 Anomaly Review Advisory Board"
Mid-October 2026 to Mid-November (planned)	The "GRUS-3 Anomaly Review Advisory Board" evaluates and provides recommendations on the report regarding the estimated causes of the anomaly and the countermeasures to be applied to satellites scheduled for future launch
End of November 2026 (planned)	Prepare and publish the final report after evaluation by the "GRUS-3 Anomaly Review Advisory Board"

Note: Each member of this Advisory Board participates in a personal capacity, and their activities, opinions, and views do not represent the intentions or official positions of their affiliated companies or organizations.

Members

Name	Affiliation
Shinichi Nakasuka	Professor, Research Organization of Science and Technology, Ritsumeikan University
Hiroshi Koyama	Chief Technical Advisor, Defense & Space Systems Division, Mitsubishi Electric Corporation
Hiroaki Kusawake	Safety and Mission Assurance Officer, JAXA
Masanobu Yajima	Director, Research Unit I, Research and Development Directorate, JAXA
Atsushi Okamoto	Research and Development Manager, Research Unit II, Research and Development Directorate, JAXA



Financial Results for the First Quarter of FY Ending May 2027

Note:

Unless otherwise specified in this material, the following applies.

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

"First Quarter" "Q1": Refers to the period from June 1 to August 31 of each year.

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

Highlights: Q1 of Fiscal Year Ending May 2027 *1

Financial Results

- Revenue increased by 208.3% year-on-year to 950 million yen. Government projects in the AxelGlobe Business contributed to this.
- Order backlog increased by 363.4% year-on-year to 51,759 million yen due to new orders for government projects.

R&D / Manufacturing

- Development of high-resolution satellites scheduled for launch in fiscal year ending May 2028 is progressing.
- Relocated headquarters and development center

Business

- Anomaly occurred in 4 of the 7 next-generation Earth observation satellites "GRUS-3" during initial operations (see pages 3-4 for details)
- Concluded a partnership agreement with Airbus Defence and Space for satellite imagery sales

Finance & Accounting

- Cash and cash equivalents balance is 3,402 million yen
- Conducted fundraising to maintain and strengthen the financial base for continuing medium- to long-term growth investments

Key Financial Indicators

Total Revenue
950 million yen

Order backlog
51,759 million yen

Adjusted EBITDA *2
-793 million yen

Cash and Cash Equivalents
3,402 million yen

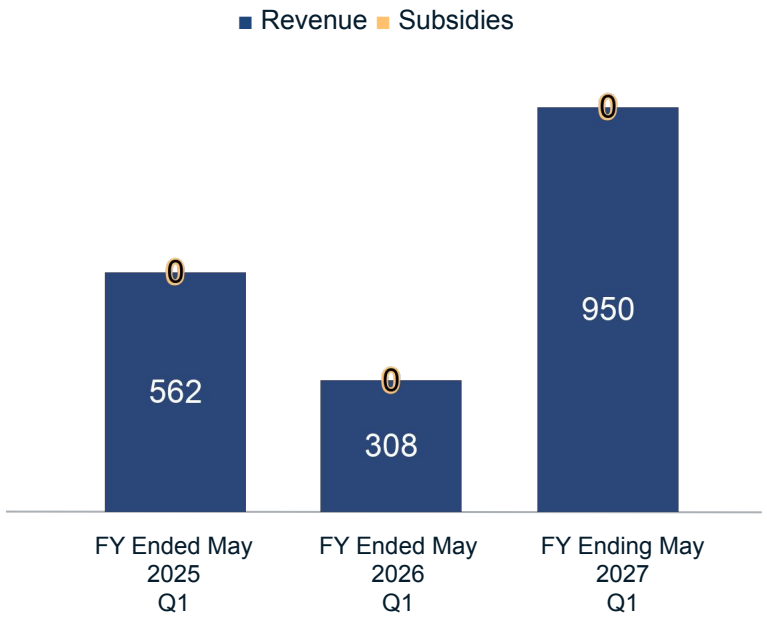
*1: Includes content announced from the end of the Q1 of fiscal year ending May 2027 (August 31, 2026) to the announcement date (October 15, 2026).
*2: Adjusted EBITDA = Ordinary profit + interest expense + depreciation + share-based compensation expenses

Financial Results Trends

In the first quarter of fiscal year ending May 2027, revenue increased due to the progress of government-related projects in the AxelGlobe Business, and both operating loss and ordinary loss narrowed.

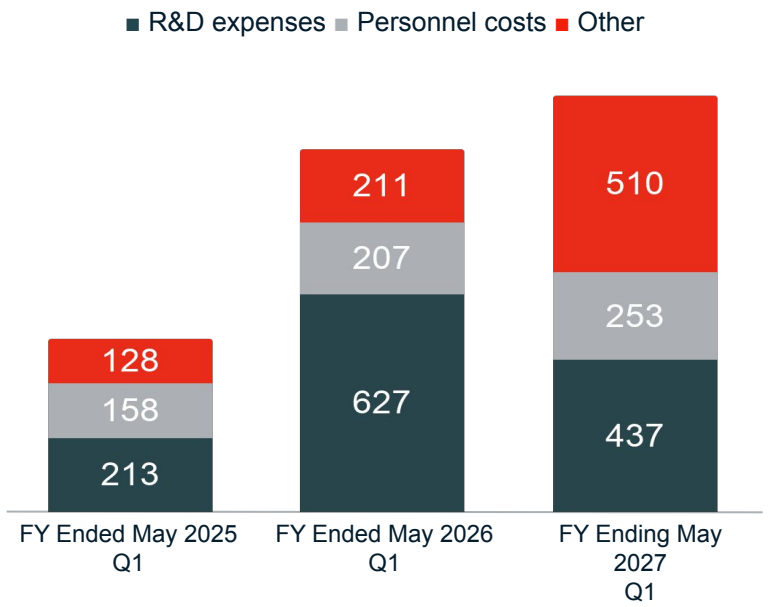
(Unit: million yen)

Revenue / Total Revenue *1



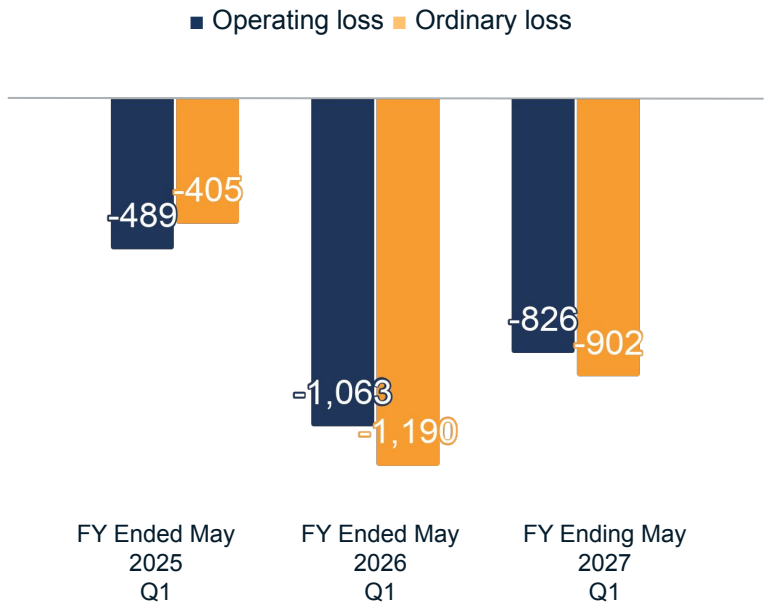
- Revenue increase due to an increase in government-related projects in the AxelGlobe Business (see page 12 for details)

Selling, General and Administrative Expenses



- R&D expenses decreased because GRUS-3α launch costs were recorded in the same period of the previous year.
- Personnel costs increased due to an increase in headcount, and other expenses increased due to GRUS-3 launch insurance premiums and fees for government-related projects.

Operating Loss / Ordinary Loss



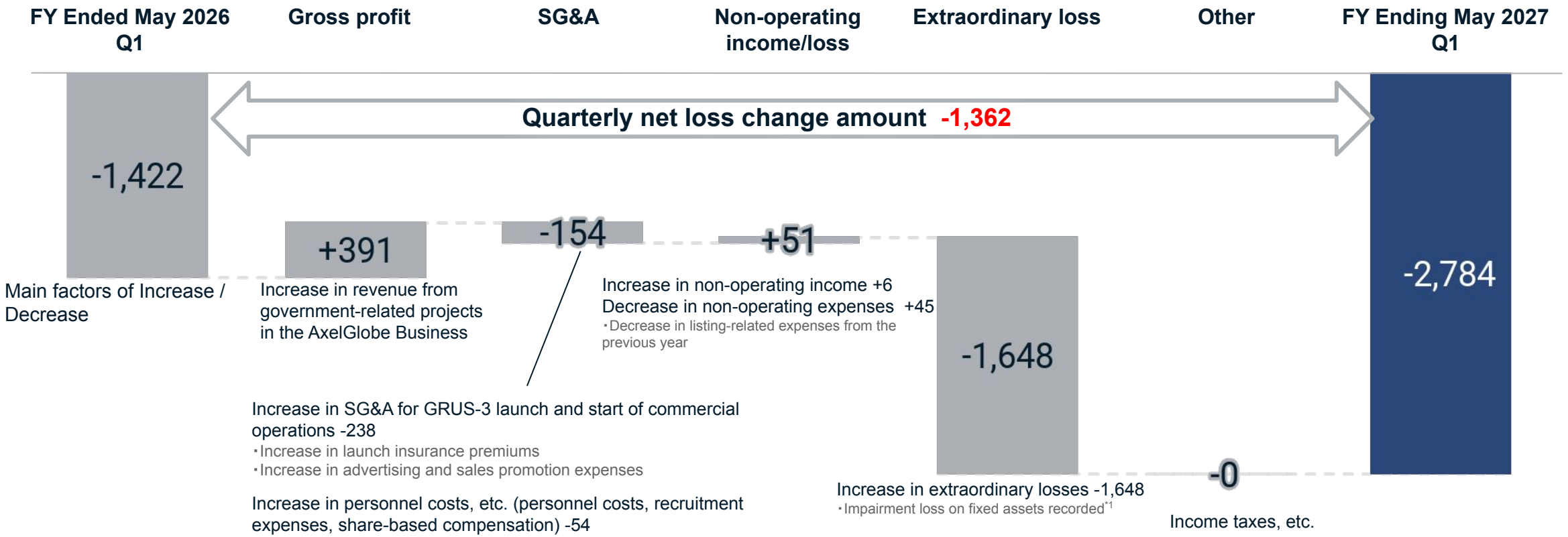
- Selling, general and administrative expenses increased, but both operating loss and ordinary loss narrowed due to the increase in revenue.

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

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

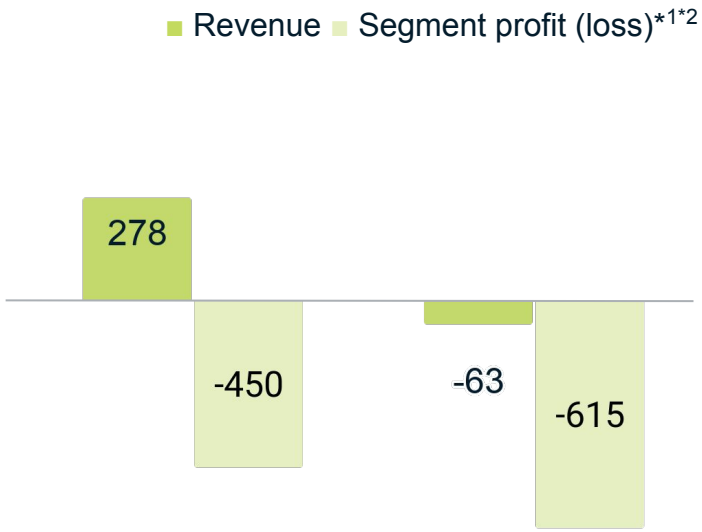
While gross profit increased due to an increase in revenue, the profit level is lower than the same period of the previous year due to the recording of an extraordinary loss resulting from an anomaly of GRUS-3.

(Unit: million yen)



*1: Please refer to the "Notice Regarding Revision of Consolidated Financial Forecast and Recording of Extraordinary Loss for the Fiscal Year Ending May 2027" announced on October 6, 2026.

Performance by Segment: AxelLiner Business



(Unit: million yen)	FY Ended May 2026 Q1 *2	**FY Ending May 2027 Q1**	Year-on-year change
Revenue	278	**-63**	—
Cost of sales	267	**417**	+56.0%
Gross profit (loss)	10	**-481**	—
Segment profit (loss)*1*2	-450	**-615**	—

【 Year-on-year variance】

- **Revenue**
  - Revenue recorded due to the progress of the K Program and the start of the provision of the in-orbit demonstration service "AxelLiner Laboratory" to JAXA
  - On the other hand, regarding the contract for the provision of in-orbit demonstration services with Pale Blue Inc., we received a written notice from the company requesting termination of the contract and have initiated discussions between the two parties. Accordingly, as uncertainty has arisen regarding the continuation of the contract, revenue for the fiscal year ended May 2026 related to said contract was reversed, resulting in a decrease in revenue.

- **Cost of sales, Gross profit*2**
  - Gross loss was recorded due to an increase in cost of sales resulting from the manufacturing plan for the K Program and the recording of provisions, etc., due to the start of discussions with Pale Blue Inc.

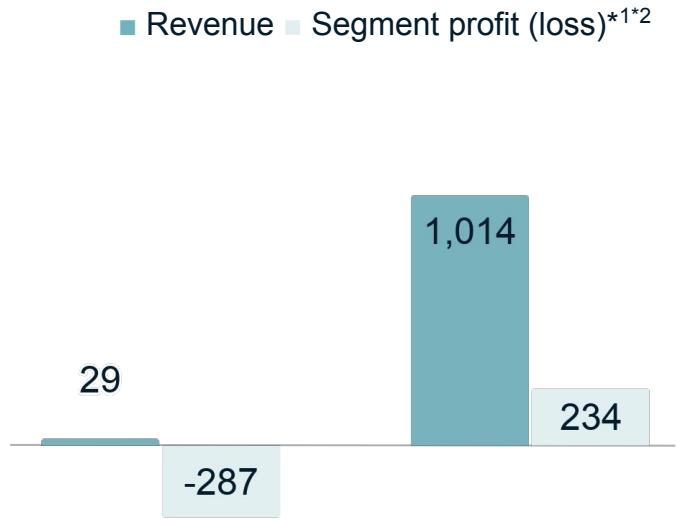
- **Segment profit (loss)*1*2**
  - Segment loss expanded due to a decrease in revenue and an increase in cost of sales resulting from the start of discussions with Pale Blue Inc.

【 Performance Analysis 】

- **Progress against KPI**
  - Number of demonstration satellites launched is the KPI
    - Cumulative 6 units from the fiscal year ended May 2025 to the fiscal year ending May 2028
    - Current progress: Cumulative 2 units
      Launched "GRUS-3" equipped with a reaction wheel from Shinano Kenshi Co., Ltd. (ASPINA) in July 2026, with demonstration scheduled hereafter

*1: Segment profit (loss) is based on ordinary profit (loss).
*2: Following the organizational change implemented on March 1, 2026, and to more appropriately reflect the performance of reportable segments, we have revised our policy to record a portion of the R&D expenses related to the manufacturing of company-owned satellites, which were previously recorded in the AxelLiner Business, in the AxelGlobe Business.
Reference values based on the revised measurement method are also provided for the segment information for the first quarter of the fiscal year ended May 2026.

Performance by Segment: AxelGlobe Business



(Unit: million yen)	FY Ended May 2026 Q1 *2	**FY Ending May 2027 Q1**	Year-on-year change
Revenue	29	**1,014**	+3,302.2%
Of which, government agencies	7	**1,008**	+12,967.5%
Of which, private companies	21	**6**	-72.3%
Cost of sales	57	**158**	+175.8%
Gross profit (loss)	-27	**856**	—
Segment profit (loss)*1*2	-287	**234**	—

【 Year-on-year variance 】

- **Revenue**
  - Satellite Constellation Project and other government-related projects contributed to a significant increase in revenue
- **Cost of sales, Gross profit*2**
  - Although cost of sales increased due to higher ground station usage fees for GRUS-3, gross profit increased as the impact of the revenue growth outweighed the increase in cost of sales
- **Segment profit *1*2**
  - Increase in R&D expenses related to high-resolution satellites
  - Recording of GRUS-3 launch insurance premiums
  - Recording of payment commissions for government-related projects
  - Increase in gross profit due to higher revenue exceeded the increase in SG&A expenses

【 Performance Analysis 】

- **Progress against KPI**
  - Number of constellation operational units is the KPI
    - 14 satellites by the fiscal year ending May 2028
  - Current progress: four satellites were in operation as of the end of Q1 of fiscal year ending May 2027

*1: Segment profit (loss) is based on ordinary profit (loss).
*2: Following the organizational change implemented on March 1, 2026, and to more appropriately reflect the performance of reportable segments, we have revised our policy to record a portion of the R&D expenses related to the manufacturing of company-owned satellites, which were previously recorded in the AxelLiner Business, in the AxelGlobe Business.
Reference values based on the revised measurement method are also provided for the segment information for the first quarter of the fiscal year ended May 2026.

Progress in Priority Areas: Strengthening the Business Foundation of the AxelGlobe Business

Strengthening partnerships aimed at enhancing overseas sales and solutions

Airbus Defence and Space

Concluded a sales partnership agreement with Airbus Defence and Space, a global leader in the Earth observation field, including optical and radar satellite imagery, for medium-resolution optical satellite imagery captured by the Earth observation satellite "GRUS" operated by the Company.

By combining the Company's technology for operating the "GRUS" constellation with Airbus's industry expertise and strong customer relationships, we will provide solutions tailored to customer needs for a wide range of industries, including agriculture, environment, and infrastructure.

Please refer to the press release for details.



(From left) Yuya Nakamura, President and CEO of the Company, and Kévin Boverie, Head of Portfolio, Geospatial Solutions, Space Digital, Airbus Defence and Space

NSG UP42

Concluded a partnership agreement for the provision of our satellite imagery with NSG UP42, the first national Earth observation data platform in the Kingdom of Saudi Arabia.

Please refer to the press release for details.



* Jeddah, a major city in the Kingdom of Saudi Arabia, captured by GRUS-1

Pacific Consultants Co., Ltd.

Concluded a memorandum of understanding on a business alliance aimed at resolving issues in the social infrastructure sector through the utilization of satellite data.

Please refer to the press release for details.



*Image of disaster prevention observation

Note: Includes content announced from the end of the first quarter of fiscal year ending May 2027 (August 31, 2026) to the date of this presentation (October 15, 2026).



Financial Forecast for the FY Ending May 2027

Exchange rate assumptions for financial forecast: 1 USD = 160 yen, 1 EUR = 190 yen.

FY Ending May 2027 Financial Forecast (Consolidated)

The full-year financial forecast was revised on October 6, 2026. The revenue forecast for the fiscal year ending May 2027 was revised downward due to the anomaly of four GRUS-3 microsatellites and the commencement of discussions regarding the contract for in-orbit demonstration services with Pale Blue Inc.
In addition, an impairment loss of 1,879 million yen due to the anomaly of four GRUS-3 microsatellites was recorded as an extraordinary loss in Q1 of the fiscal year ending May 2027.

(Unit: million yen)	FY Ended May 2026 (Actual)	FY Ending May 2027 (Forecast announced on July 14)	FY Ending May 2027 (Forecast announced on October 6)	Year-on-year change
Revenue	2,508	9,000	6,700	+4,191
Operating profit (loss)	-3,822	-800	-2,300	+1,522
Ordinary profit (loss)	-3,712	-150	-1,700	+2,012
Net income (loss) attributable to owners of parent	-4,057	-240	-3,650	+407

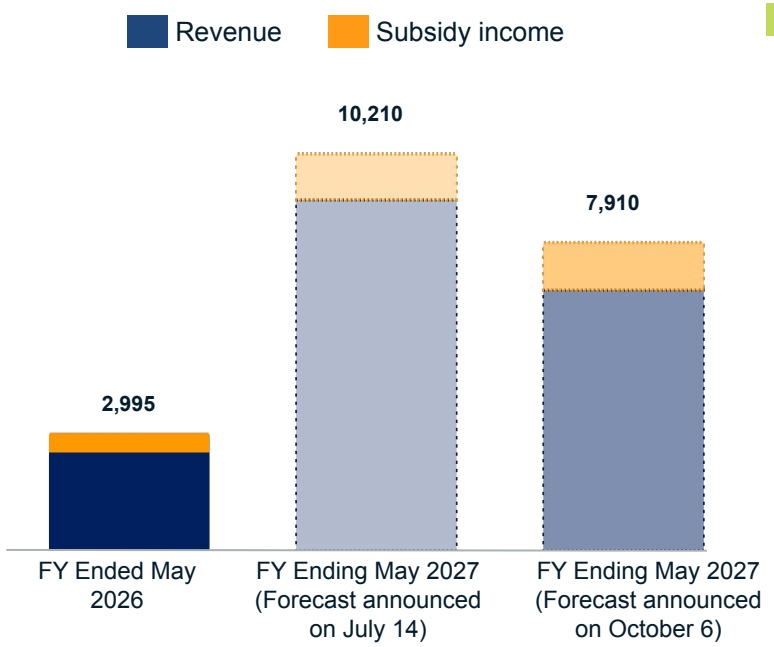
Total revenue (non-GAAP)*1	2,995	10,210	7,910	+4,914

Note: For details regarding the financial forecast, please refer to the "Notice Regarding Revision of Consolidated Financial Forecast and Recording of Extraordinary Loss for the Fiscal Year Ending May 2027" published on October 6, 2026.
*1: Total revenue is a Non-GAAP measure and is a financial indicator that the Company considers useful for investors in evaluating the performance of the Group. It is calculated by adding subsidy income from government agencies and other sources to revenue.

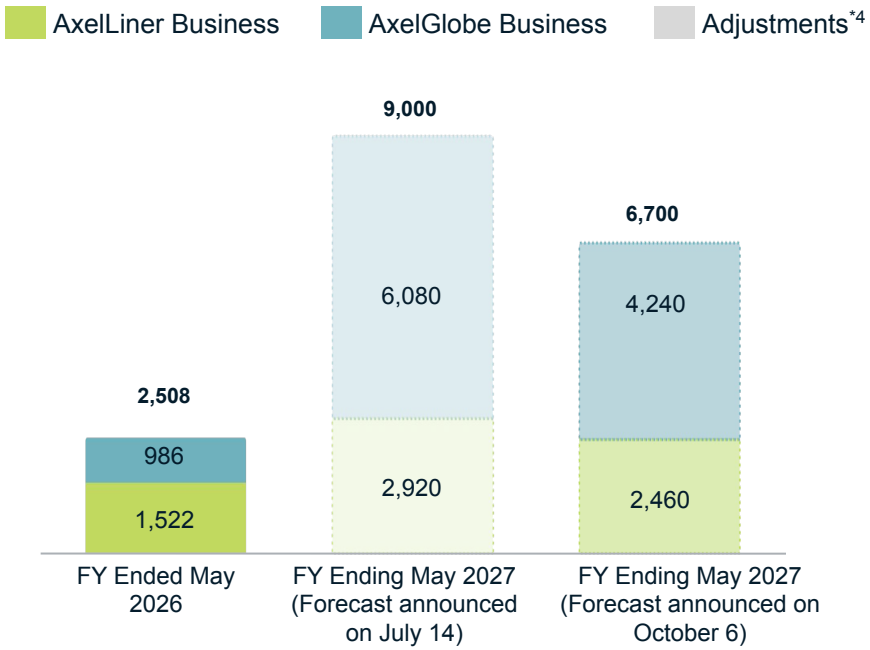
Fiscal Year Ending May 2027 Financial Forecast (Consolidated)

Revision of the financial forecast for the fiscal year ending May 2027, based on the anomaly of “GRUS-3” and the commencement of discussions regarding the AxelLiner Laboratory contract. (Announced on October 6, 2026)

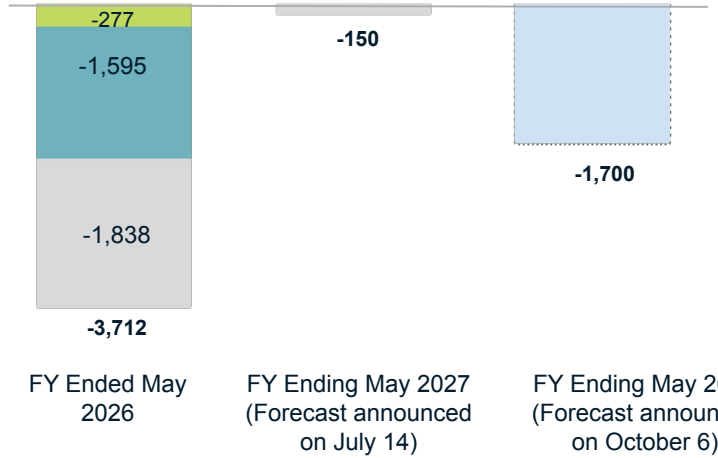
Revenue / Total Revenue *1
(Unit: million yen)



Revenue by Segment
(Unit: million yen)

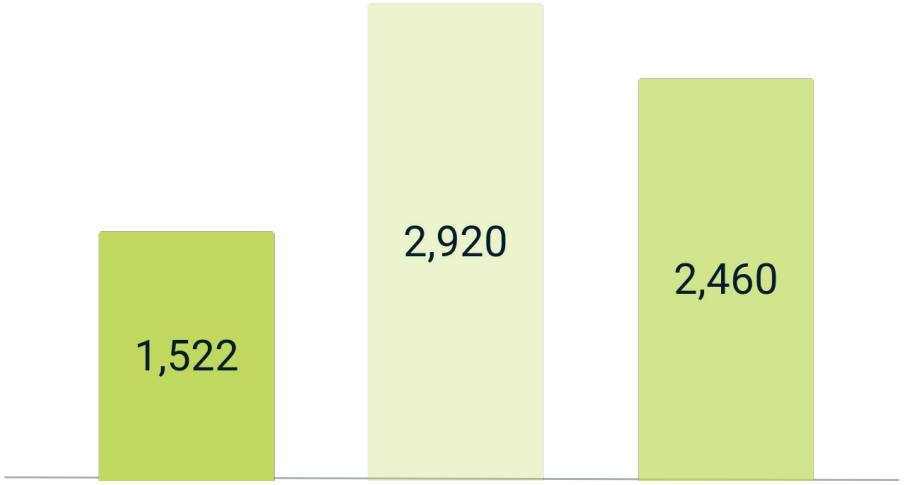


Segment Profit *2,3
(Unit: million yen)



*1: Total revenue is a Non-GAAP measure and is a financial indicator that the Company considers useful for investors in evaluating the performance of the Group. It is calculated by adding subsidy income from government agencies and other sources to revenue.
*2: Segment profit (loss) is based on ordinary profit (loss).
*3: Following the organizational change implemented on March 1, 2026, and in order to more appropriately reflect the performance of reportable segments, we have revised our policy to record a portion of the R&D expenses related to the manufacturing of company-owned satellites, which had previously been recorded in the AxelLiner Business, in the AxelGlobe Business. Segment information for the fiscal year ended May 2026 has also been presented as reference figures based on the revised measurement method.
*4: Adjustments are company-wide expenses not allocated to each reportable segment (mainly company-wide common administrative expenses not attributable to reportable segments).

Financial Forecast by Segment: AxelLiner Business



(Unit: million yen)	FY Ended May 2026 (Actual)	FY Ending May 2027 (Forecast announced on July 14)	**FY Ending May 2027 (Forecast announced on October 6)**	Year-on-year change
Revenue	1,522	2,920	**2,460**	+61.6%
Segment profit (loss)*1*2	-277	-770	**-1,240**	—

[Main Assumptions for Financial Forecast]

Revenue

- Manufacturing of an engineering model for ground-based specification verification used in vibration testing and other tests, and two flight models for demonstration units, under the K Program.
- Provision of AxelLiner Laboratory services to JAXA

Segment profit (loss) *1*2

- Material costs/expenses and personnel costs for the above projects.
- Upfront investment in R&D expenses for "Technology to Enhance Capability of Next Generation Earth Observation Satellites."

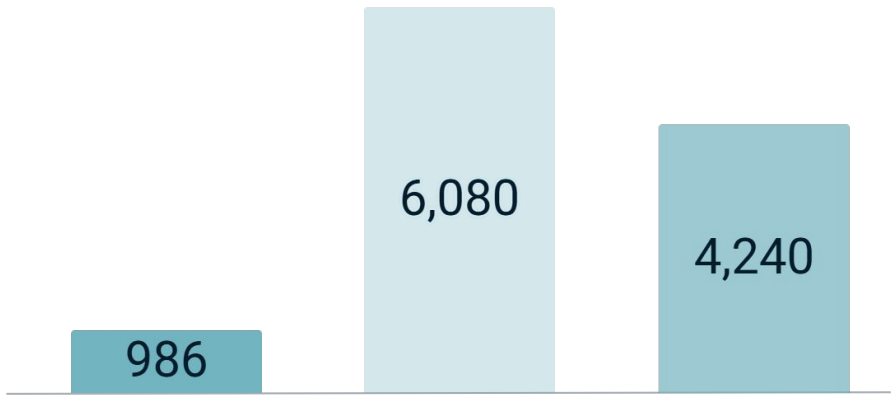
Note: The revenue and segment profit (loss) described above incorporate the maximum estimated impact of the "AxelLiner Laboratory" project for Pale Blue Inc., with which we have commenced discussions regarding a contract.

Note: For details regarding the revision of the financial forecast, please refer to the "Notice Regarding Revision of Consolidated Financial Forecast and Recording of Extraordinary Loss for the Fiscal Year Ending May 2027" announced on October 6, 2026.

*1: Segment profit (loss) is based on ordinary profit (loss).

*2: Following the organizational change implemented on March 1, 2026, and in order to more appropriately reflect the performance of reportable segments, we have reviewed our policy to allocate a portion of the R&D expenses related to the manufacturing of company-owned satellites, which were previously recorded in the AxelLiner Business, to the AxelGlobe Business.
Reference values based on the revised measurement method are also provided for the segment information for the fiscal year ended May 2026.

Financial Forecast by Segment: AxelGlobe Business



(Unit: million yen)	FY Ended May 2026 (Actual)	FY Ending May 2027 (Forecast announced on July 14)	**FY Ending May 2027 (Forecast announced on October 6)**	Year-on-year change
Revenue	986	6,080	**4,240**	+330.0%
Segment profit (loss)*1* 2	-1,595	3,400	**1,970**	—

[Main Assumptions for Financial Forecast]

Revenue

- Incorporating the expected delay in image provision in the AxelGlobe Business due to an anomaly affecting some of the “GRUS-3” satellites

Segment profit (loss) *1*2

- Absorb the burden of R&D expenses for high-resolution satellites scheduled for future launch through an increase in gross profit resulting from higher revenue, as well as subsidy income.

Note: For details regarding the revision of the financial forecast, please refer to the "Notice Regarding Revision of Consolidated Financial Forecast and Recording of Extraordinary Loss for the Fiscal Year Ending May 2027" announced on October 6, 2026.

*1: Segment profit (loss) is based on ordinary profit (loss).

*2: Following the organizational change implemented on March 1, 2026, and in order to more appropriately reflect the performance of reportable segments, we have reviewed our policy to allocate a portion of the R&D expenses related to the manufacturing of company-owned satellites, which were previously recorded in the AxelLiner Business, to the AxelGlobe Business.
Reference values based on the revised measurement method are also provided for the segment information for the fiscal year ended May 2026.

Major Pipeline (As of the end of September 2026)

Contracted Projects

Business	Customer		Project*1*2	Accounting Item	Expected Project Period *1*2*3
AxelLiner Business	Government agency	New Energy and Industrial Technology Development Organization (NEDO)	Key and Advanced Technology R&D through Cross Community Collaboration Program (K Program) Development and demonstration of satellite constellation infrastructure technologies such as optical communication	Revenue	to FY ending May 2032
AxelLiner Business (AL Lab)	Government agency	Japan Aerospace Exploration Agency (JAXA)	Basic research and in-orbit experiments on high-mobility electric propulsion for spacecraft	Revenue	Approximately 4 years from FY 2026
AxelGlobe Business	Government agency	Ministry of Defense	Satellite Constellation Project	Revenue	to FY ending May 2031
AxelGlobe Business	Government agency	Ministry of Economy, Trade and Industry	Research and development of on-demand tasking for multiple satellites and data production/distribution technology	Revenue	to FY ending May 2027
AxelGlobe Business	Government agency	New Energy and Industrial Technology Development Organization (NEDO)	Development and Demonstration of General-Purpose CubeSat and Microsatellite Buses	Non-operating income (Subsidy income)	to FY ending May 2027

Awarded Projects*4

Business	Customer		Project*2*3	Accounting Item	Expected Project Period *1*2*3
AxelLiner Business	Government agency	Japan Aerospace Exploration Agency (JAXA) (Space Strategy Fund)	Technology to Enhance Capability of Next Generation Earth Observation Satellites	Non-operating income (Subsidy income)	Up to approx. 6 years from FY ending May 2027
AxelGlobe Business	Government agency	Japan Aerospace Exploration Agency (JAXA) (Space Strategy Fund)	Implementation of Satellite Data Utilization System (B) Establishing Foundations for Overseas Deployment	Revenue	Up to 5 years
AxelGlobe Business	Government agency	Japan Aerospace Exploration Agency (JAXA) (Space Strategy Fund)	Implementation of Satellite Data Utilization System (C) Developing mechanisms for satellite data application systems to gain satellite data solution businesses (observation, positioning, etc.)	Revenue	Scheduled through the end of September 2030

Note: This page contains forward-looking information. Please refer to page 61 for assumptions, limitations, constraints, and risks regarding forward-looking information.

* 1: For contracted projects, revenue may not be recorded at the anticipated time due to circumstances such as project failure or cancellation. In addition, contracts are typically renewed annually (although multi-year contracts may occur), and if the project itself is canceled, the contract may not be renewed. Furthermore, if a project is suspended due to stage-gate review (interim evaluation) or other circumstances, revenue for the uncontracted portion from that point onward may not be recorded. Additionally, for uncontracted portions, even if a contract is concluded, the actual timing of orders may differ significantly.

*2: If a project is suspended due to stage-gate review (interim evaluation) or other circumstances, revenue for the uncontracted portion from that point onward may not be recorded. Additionally, for uncontracted portions, since this is the current estimate of the project timing, even if a contract is concluded, the timing may differ significantly from the actual order timing.

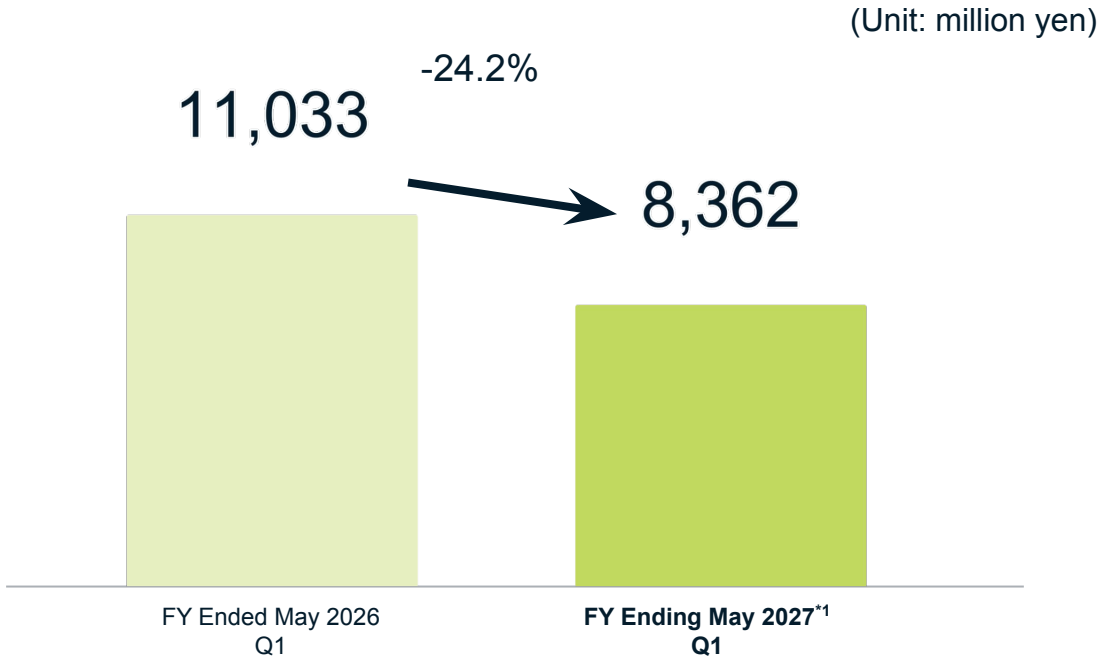
*3: For awarded projects, revenue may not be recorded at the anticipated time due to circumstances such as project failure or cancellation. In addition, contracts are typically renewed annually (although multi-year contracts may occur), and if the project itself is canceled, the contract may not be renewed. Furthermore, if a project is suspended due to stage-gate review (interim evaluation) or other circumstances, revenue for the uncontracted portion from that point onward may not be recorded. Additionally, for uncontracted portions, even if a contract is concluded, the actual timing of orders may differ significantly.

*4: The project under this item is not included in the order backlog as of the end of the first quarter of FY Ending May 2027.

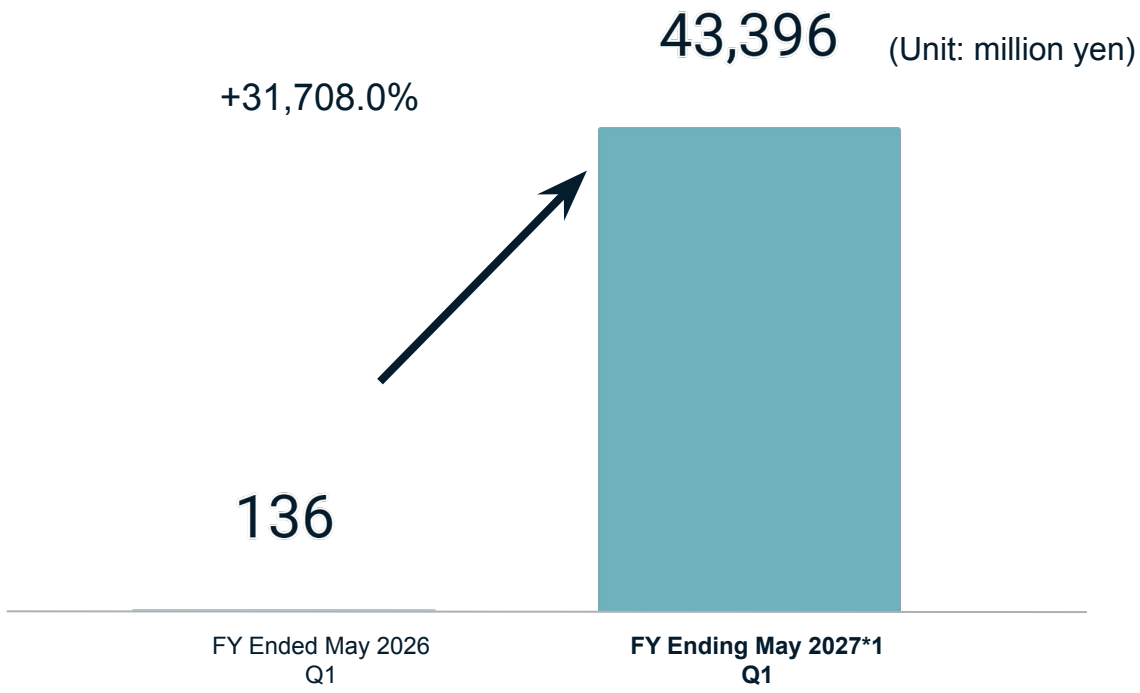
Order Backlog Trends by Segment *1

AxelLiner Business decreased as government-related projects progressed, while AxelGlobe Business increased significantly due to orders for government-related projects.

AxelLiner Business

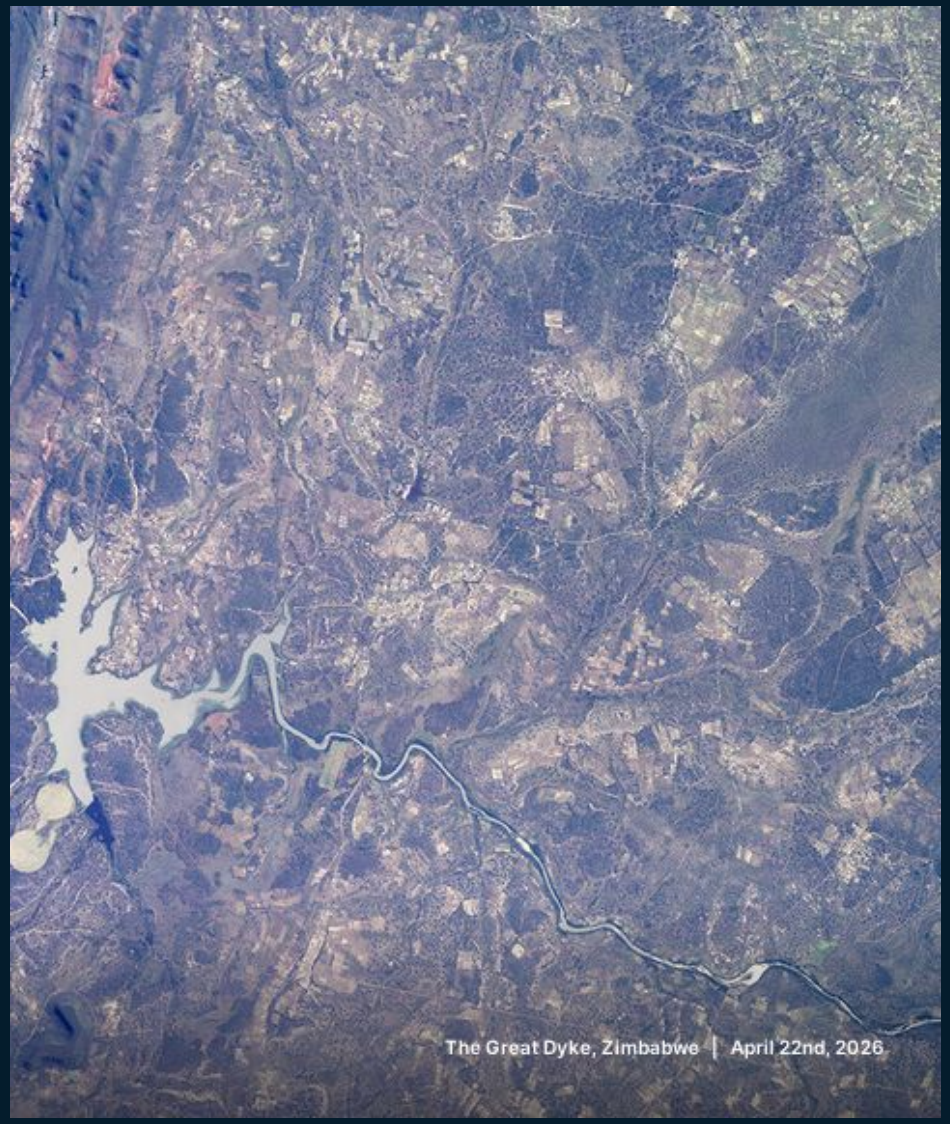


AxelGlobe Business



Note: This page contains forward-looking information. Please refer to page 61 for assumptions, limitations, constraints, and risks regarding forward-looking information.

*1: Order backlog refers to the portion of the total order value received through the end of the applicable period that has not yet been recognized as revenue. Order backlog from projects received or contracts signed after the end of Q1 of fiscal year ending May 2027 is not included.
In addition, Pale Blue Inc., with which we have started discussions regarding a contract, is excluded from the order backlog of the AxelLiner Business for Q1 of fiscal year ending May 2027.



Management Strategy

Actions Under Consideration Following the Anomaly of "GRUS-3"

To mitigate the impact on the AxelGlobe Business caused by the anomaly of the four satellites, we are considering various actions, including those listed below. We will promptly announce any matters that require disclosure.

Measures to Secure Imaging Capacity

- Started considering the procurement of other satellite imagery data to secure imaging capacity.

Verifying the Possibility of Commercial Utilization of the Four Affected Satellites

- Satellite functions other than the high-speed communication system are operating normally, and capturing images of the Earth's surface is possible. We are considering potential commercial uses, including the possibility of providing images that can be obtained through the low-speed communication systems and utilizing telemetry data obtained from the satellites.

Exploring potential applications across multiple areas, including security, maritime domain awareness, infrastructure management, and mapping.

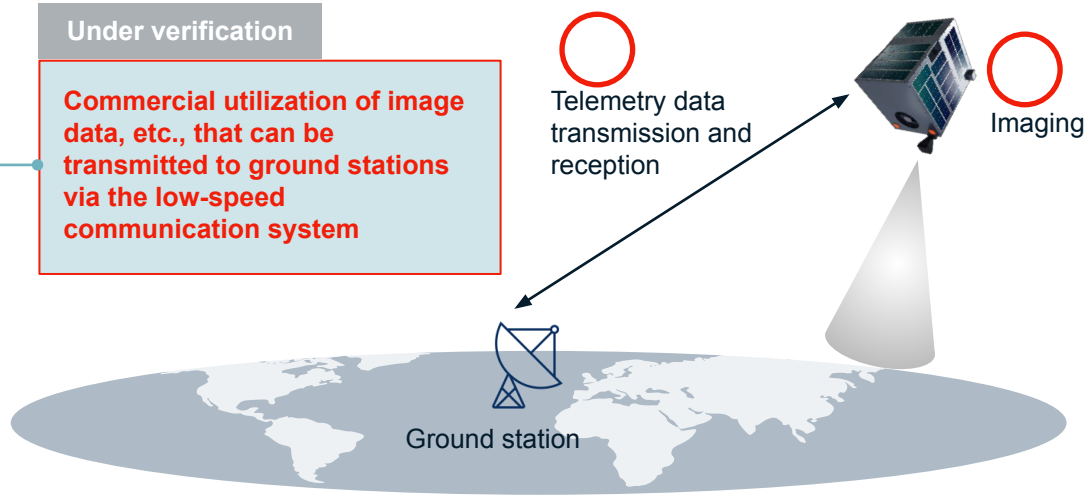




*The images are for illustrative purposes of the fields under consideration.

Under verification

Commercial utilization of image data, etc., that can be transmitted to ground stations via the low-speed communication system



Note: This page contains forward-looking information. Please refer to page 61 for assumptions, limitations, constraints, and risks regarding forward-looking information.
*1: Details regarding the measures under consideration described on this page are not disclosed. At this stage, we are in the process of gathering information and conducting technology verification regarding the implementation of these measures, and we do not guarantee that they can be actually implemented. Even if the measures are implemented, there is a possibility that revenue may not be recorded at the timing or scale we anticipate.

About the Demonstration with ASPINA

In-Orbit Demonstration of ASPINA's Reaction Wheel Planned for "GRUS-3"

Overview of In-Orbit Demonstration with ASPINA *1

- As the first application of the in-orbit demonstration service "AxelLiner Laboratory," a reaction wheel jointly developed with Shinano Kenshi Co., Ltd. (ASPINA) is mounted on "GRUS-3."
- In this demonstration, we will verify the reliability, attitude control performance, and environmental characteristics of this reaction wheel. Data acquired during the demonstration will be provided to ASPINA to contribute to the company's future development and commercialization.
- Although this reaction wheel is mounted on one of the four affected satellites, the in-orbit demonstration on the satellite can be conducted by using the low-speed communication system; therefore, we plan to carry out the demonstration in the future.
- Through this demonstration, we will verify the potential of an in-orbit demonstration service that utilizes surplus space within our own satellites. Going forward, in addition to dedicated satellites, we will consider utilizing such surplus space on satellites to aim for the expansion of demonstration opportunities and the diversification of revenue opportunities.



Appearance of the reaction wheel for 100kg-class satellites (Photo courtesy of ASPINA)

Please refer to the press release for details.

*1: Includes content announced from the end of the Q1 of FY Ending May 2027 (August 31, 2026) to the announcement date (October 15, 2026).

Strengthening the Management Structure to Improve Satellite Development Quality and Reliability and Build a Mass Production System

- At the Board of Directors meeting held on October 15, 2026, the Company resolved to change its management structure to strengthen the technical department for the purpose of improving satellite development quality and reliability and building a mass production system. **In addition to the appointment of Takanori Iwata as a new Executive Officer, the structure was changed so that President and CEO Nakamura oversees the Satellite Development Department and the Procurement and Production Department.**
- Iwata has extensive experience and a proven track record in numerous satellite development projects, as well as in the development and technical evaluation of satellite attitude and orbit control systems and project operational reform, having served as Director of the Chief Engineer's Office at the Japan Aerospace Exploration Agency (JAXA).
- Leveraging his knowledge as an engineer who has been involved in satellite development, Nakamura will lead the improvement of development processes and quality management systems together with Iwata, who possesses extensive expertise and experience. They aim to improve satellite quality and reliability and build a full-scale mass production system.



New Executive Officer Takanori Iwata (Scheduled to assume office on November 1, 2026)

Graduated from the Space Engineering Course in the Department of Aeronautics at the University of Tokyo and earned a Ph.D. in Aeronautics and Astronautics from Stanford University.

Joined the National Space Development Agency of Japan (NASDA, now JAXA) and worked on the ALOS project team from its inception, being responsible for the development and operations of the high-precision attitude and orbit control system and other systems. As Director of the Guidance and Control Group, led guidance and control R&D and support for project teams including GCOM-W1 and ALOS-2. As Director of the Chief Engineer's Office, led agency-wide reforms to project management practices following the ASTRO-H anomaly. Subsequently worked on initial mission studies as Director of the System Technology Unit while also serving as Chief Engineer for R&D and human space exploration fields, providing independent assessments and support for various projects.

Joined Axelspace in October 2024 and has served as Leader of the Attitude and Orbit Control Systems Unit and Head of the Engineering Management Office.

Objective and Significance of the Issuance of Share Acquisition Rights and Use of Proceeds

Announcement of the Issuance of the 12th Series of Share Acquisition Rights (with Exercise Price Reset Clause) through Third-Party Allotment and Execution of the Facility Agreement (with Suspension Designation Clause)

Objective and Significance of the Issuance of Share Acquisition Rights

- Upfront funding requirements for the manufacturing and launch of satellites for the early expansion of the optical satellite constellation
- Maintain and strengthen the financial base to replenish equity reduced by the losses recorded due to the anomaly of the GRUS-3 microsatellites and to continue medium- to long-term growth investments

Use of Proceeds, Amount, and Timing of Expenditure

Use of Proceeds	Planned Amount	Scheduled timing of expenditure
(1) Funds for the manufacturing and launch of satellites to expand optical satellite constellation	2,303 million yen	From November 2026 to November 2028
(2) Working capital for (i) international business expansion of optical satellite imagery data and (ii) sales expansion and solutions of AxelLiner Laboratory (personnel costs, manufacturing costs, and research and development expenses)	2,000 million yen	From November 2026 to November 2028

Specific Use of Funds (1)

Funds for the manufacturing and launch of satellites to expand optical satellite constellation

- Allocated to capital expenditures related to the manufacturing and launch of high-resolution or medium-resolution satellites scheduled for launch in FY Ending May 2029
- Expanding the number of Earth observation satellites in the constellation to improve observation capabilities and strengthen service provision

This is a plan assuming smooth business progress and is subject to change

Satellite Name	Number of Satellites	FY Ended May 2026	FY Ending May 2027	FY Ending May 2028	FY Ending May 2029	FY Ending May 2030	FY Ending May 2031	Planned Investment Amount	Amount Allocated by FY Ended May 2026	Funding Status
Medium-resolution satellites GRUS-3	7 satellites	Manufacturing Launch						3,250 million yen	3,221 million yen	Allocated from IPO proceeds
High-resolution satellites	3 satellites	R&D / Manufacturing		Launch				6,700 million yen	1,532 million yen	Allocated from IPO proceeds
High-resolution satellites*1	2 satellites		Manufacturing		Launch					Allocated from these share acquisition rights
Medium- and high-resolution satellites*1	18 satellites			Sequential manufacturing *2		Sequential launch *2		Undetermined	—	To be secured in stages

Note: The above schedule is a plan assuming smooth business progress, and the actual launch schedule may differ significantly. Additionally, there is no guarantee that the above launch schedule will be realized in the future.
This page also contains forward-looking information. Please refer to page 61 for assumptions, limitations, constraints, and risks regarding forward-looking information.
*1: Regarding the two high-resolution satellites scheduled for completion in May 2029, we may review the plan based on the fact that some of the "GRUS-3" satellites launched in July 2026 experienced an anomaly. Specifically, we are considering delaying the completion date. On the other hand, we are considering moving up the launch of 3 to 4 new medium-resolution satellites.
*2: Manufacturing and launches are planned to proceed in stages, taking into account business progress, market demand, and other relevant factors.

Specific Use of Funds (2)

Working capital for (i) international business expansion of optical satellite imagery data and (ii) sales expansion and solutions of AxelLiner Laboratory

- Promote collaboration with R&D and business partners to provide customers with higher value-added solutions
- In expanding overseas sales channels, we also aim to expand AxelLiner Laboratory

2.0 billion yen

Planned Amount

Personnel costs	**Recruitment and training of highly specialized engineers and sales personnel capable of executing solution development**
Manufacturing costs	**Satellite component procurement costs, launch costs, etc.**
R&D expenses	**Component procurement and manufacturing costs associated with the improvement of versatile satellite bus systems**

Overview of the Share Acquisition Rights

12th Series Share Acquisition Rights	
Date of Resolution for Issuance	October 15, 2026 (Thursday)
Date of Allotment	November 2, 2026 (Monday)
Number of Share Acquisition Rights to be Issued	165,000 units
Number of Potential Shares (Maximum Dilution Rate)	16,500,000 shares (24.78% of total voting rights as of May 31, 2026)
Amount of Funds to be Procured	4,303 million yen (estimated net proceeds)
Exercise Period	November 4, 2026 (Wednesday) – November 30, 2028 (Monday)
Allottee and Allotment Method	Third-party allotment to SMBC Nikko Securities
Initial Exercise Price	259 yen (Closing price of the Company's common stock on the Tokyo Stock Exchange on the trading day immediately preceding October 15, 2026, the date of the resolution for issuance)
Upper Limit of Exercise Price	None
Revision of Exercise Price	Revised to an amount equivalent to 92% of the volume-weighted average price (VWAP) of the Company's common stock in regular trading throughout the day on the trading day immediately preceding the effective date of the exercise request
Minimum Exercise Price	156 yen (Amount equivalent to 60% of the closing price of the Company's common stock on the Tokyo Stock Exchange on the trading day immediately preceding October 15, 2026, the date of the resolution for issuance)
Other	Exercise suspension, acquisition provisions, and transfer restrictions

Future Satellite Development Plans and Secured Launch Slots

This is a plan assuming smooth business progress and is subject to change

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

	2025	2026	2027	2028	2029	2030	2031
	FY Ended May 2026		FY Ending May 2027	FY Ending May 2028	FY Ending May 2029	FY Ending May 2030	FY Ending May 2031
AxelLiner Business							
Government agency projects				**2 satellites** K Program **1 satellite** JAXA-STEPS*1 (AL Lab)		**Satellites used for AxelLiner Business AL Lab regular service** Sequential launches*4	
Private enterprise projects			**1 satellite** In-Orbit Demonstration (AL Lab)		**2 satellites** In-Orbit Demonstration (AL Lab)		
AxelGlobe Business							
Medium resolution	1 satellite launched*2 "GRUS-3α"		7 satellites launched*3 GRUS-3				
High resolution				**3 satellites** to be launched	**2 satellites** to be launched*4	**18 satellites** to be launched sequentially*4	

Note: The above schedule is a plan assuming smooth business progress, and the actual launch schedule may differ significantly. Additionally, there is no guarantee that the above launch schedule will be realized in the future. For contracted projects, launches may not be conducted at the anticipated time due to circumstances such as project failure or cancellation. Additionally, for projects where only a portion is currently under contract, the plan includes the uncontracted portion of the remaining project. Furthermore, contracts are typically renewed annually (although multi-year contracts may occur), and if the project itself is canceled, the contract may not be renewed. Moreover, if a project is suspended due to stage-gate reviews (interim evaluations) or other circumstances, launches from that point onward may not be conducted. Additionally, the planned launch schedule for uncontracted portions is based on current projections, and even if contracts are concluded, the actual timing of orders may differ significantly from the indicated period. This page also contains forward-looking information. Please refer to page 61 for assumptions, limitations, constraints, and risks regarding forward-looking information.

*1: As of the publication date of this material, plans have been announced to procure hosted payload services to provide demonstration opportunities for research and development and demonstration activities under the program. Accordingly, the project is included herein as one that Axelspace, with its proven track record in small satellite development in Japan, is well positioned to pursue. At present, the project is at the Request for Information (RFI) stage, and there is no assurance that Axelspace will ultimately be awarded a contract. This project is expected to launch in fiscal year 2028 according to the implementing agency's fiscal year.

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

*3: Following the launch on July 7, 2026, these satellites are undergoing initial operations as of the date of this presentation and are therefore not currently included in the number of satellites in constellation operation. They are expected to be included once commercial operations commence.

*4: As of the date of publication of this presentation, the satellite launch schedules for the AxelLiner Business, as well as the launch schedules and the number of high- and medium-resolution satellites for the AxelGlobe Business, from the fiscal year ending May 2029 onward are currently under consideration. Further details will be disclosed once determined.

IR Activities

For the latest IR information,

Please visit News section on our IR website.
https://www.axelspacehd.com/ir/

For an introduction to Axelspace and the space industry,



our articles on note are recommended.
https://note.com/axelspace/n/n9ed29a85e561?hl=en

For the Q&A from our investor briefings,

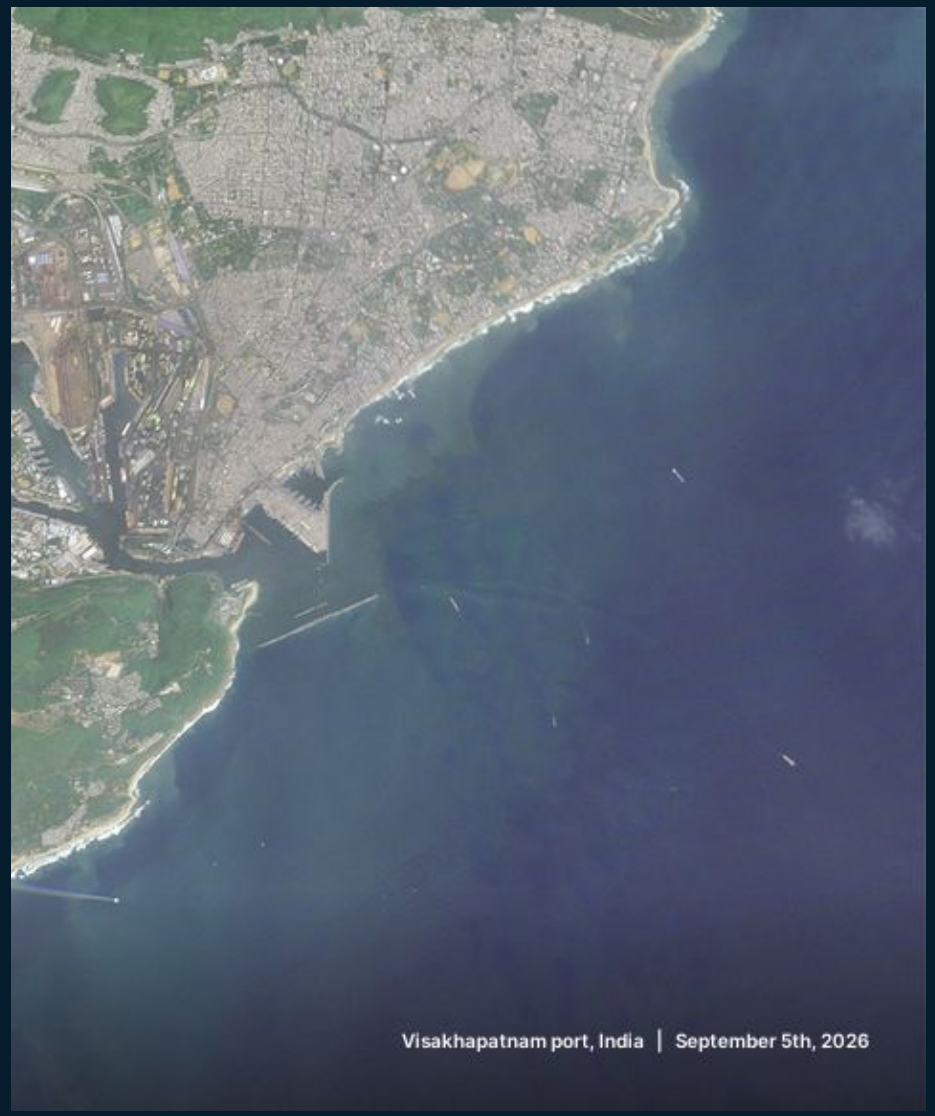
Please visit the transcript provided by Logmi Finance.
https://finance.logmi.jp/companies/4373

For the latest information about us,

Please follow our official social media accounts for updates.
https://x.com/axelspace
https://jp.linkedin.com/company/axelspace

Inclusion in stock indices (as of October 15, 2026)

- TSE Growth Market 250 Index
- TOPIX Next-tier (scheduled for October 30, 2026)



Appendix

Company Overview

Company Name	Axelspace Holdings Corporation
Location	12F Nihonbashi Honcho M-SQUARE, 1-9-3, Nihonbashi Honcho, Chuo-ku, Tokyo 103-0023, Japan
Establishment	Established in March 2020 *The predecessor company, Axelspace Corporation, was established on August 8, 2008
Capital Stock	Consolidated 4,103 million yen (as of end of May 2026)
Total Number of Issued Shares	66,640,600 shares (as of end of May 2026)
Number of Employees	Group Total: 218 (as of end of May 2026)
Directors	· President and CEO, Yuya Nakamura · Director, Daigo Orihara · Outside Director, Tomihisa Kamada · Outside Director, Chiaki Mukai · Outside Director, Masanori Sugiyama





Vision and Mission

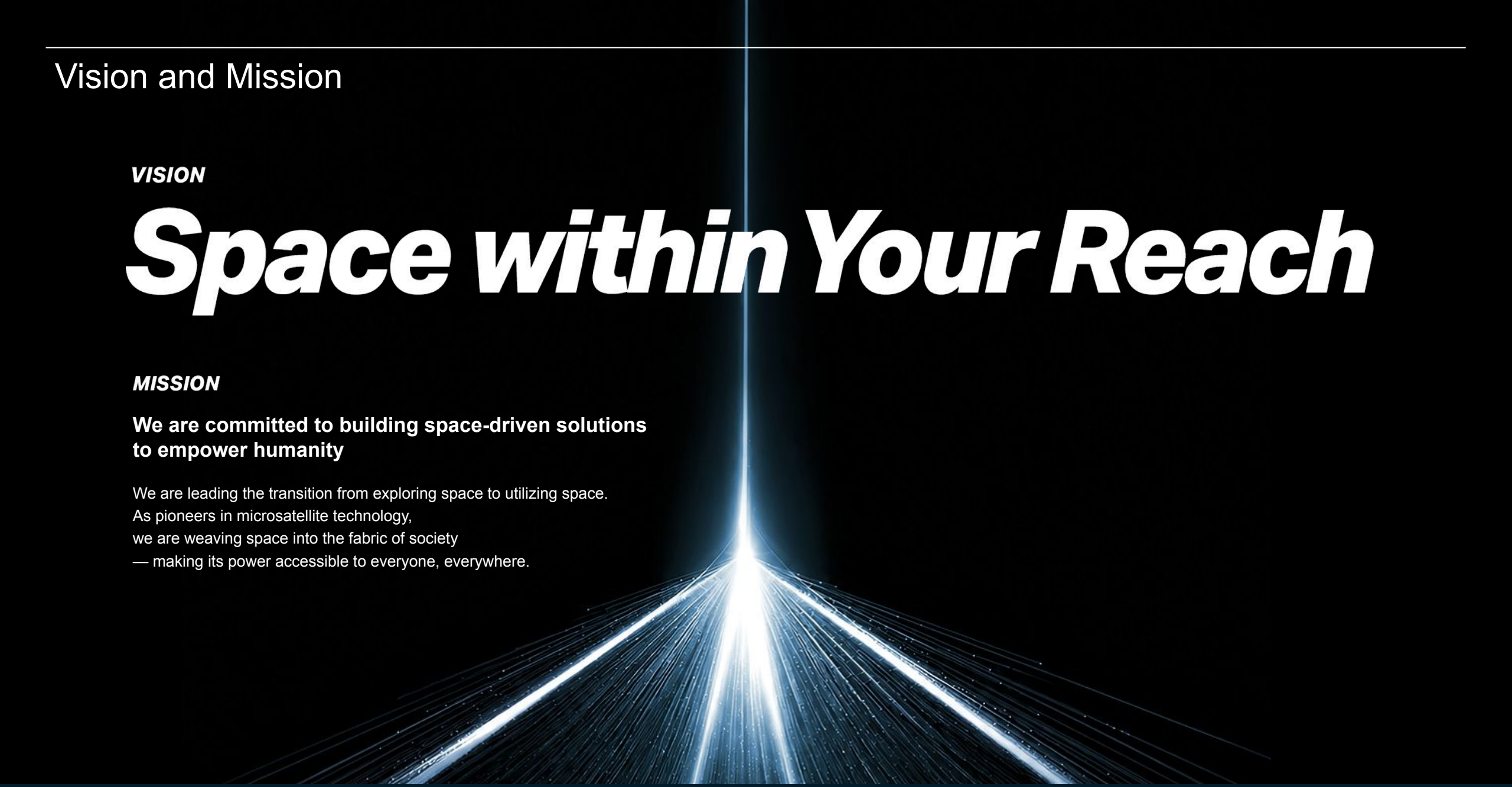
VISION

Space within Your Reach

MISSION

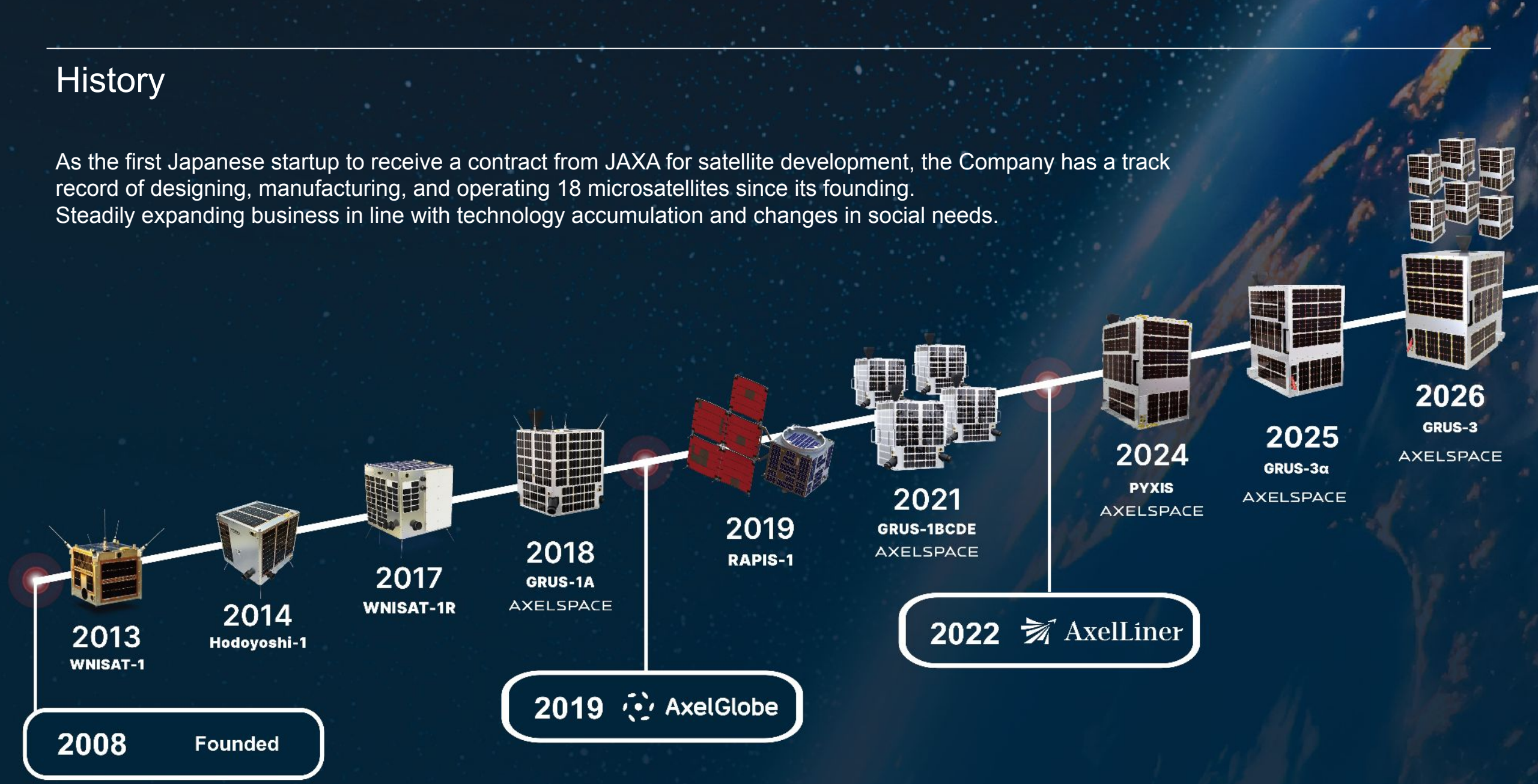
We are committed to building space-driven solutions to empower humanity

We are leading the transition from exploring space to utilizing space.
As pioneers in microsatellite technology,
we are weaving space into the fabric of society
— making its power accessible to everyone, everywhere.



History

As the first Japanese startup to receive a contract from JAXA for satellite development, the Company has a track record of designing, manufacturing, and operating 18 microsatellites since its founding.
Steadily expanding business in line with technology accumulation and changes in social needs.



AxelLiner Business Overview

Two key offerings under the AxelLiner Business: development and operation of dedicated satellites for customers, and in-orbit demonstration services providing opportunities to demonstrate technologies and equipment in space.

Dedicated Satellite Development for Customers

Develop satellites tailored to customer needs and provide end-to-end services from launch to operation

(1) Develop dedicated satellites tailored to customer satellite missions
Leveraging expertise gained through the development and operation of 18 microsatellites since its founding to develop satellites tailored to customer missions and applications.

(2) End-to-end support from development to operation
Providing integrated services covering not only satellite design and manufacturing, but also launch vehicle procurement, regulatory approvals, and post-launch operations.

Major Projects

- Key and Advanced Technology R&D through Cross Community Collaboration Program (K Program) /
  Development and demonstration of satellite constellation infrastructure technologies such as optical communication

In-orbit Demonstration Services

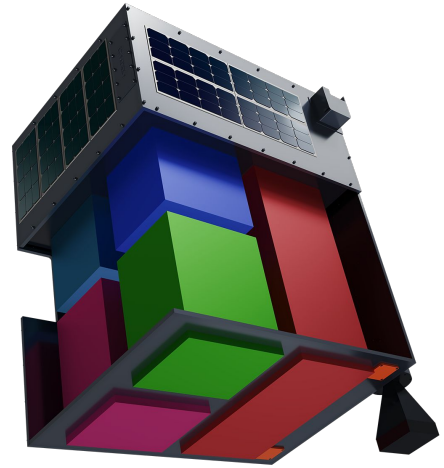
Providing opportunities to verify technologies and equipment in space "AxelLiner Laboratory (AL Lab)" (service name)

(1) Use only the necessary sections
Flexible use of only the required payload space within a satellite, with the option to use an entire satellite for a dedicated in-orbit demonstration.

(2) Lowering the hurdles to in-orbit demonstration
Use of a proprietary versatile satellite bus enables customers to conduct in-orbit demonstrations without having to develop or own their own satellites.

Major Projects

- Shinano Kenshi Co., Ltd. (ASPINA)
- JAXA



Ridesharing Service Concept
(Dividing the payload area to provide each customer with the required space)

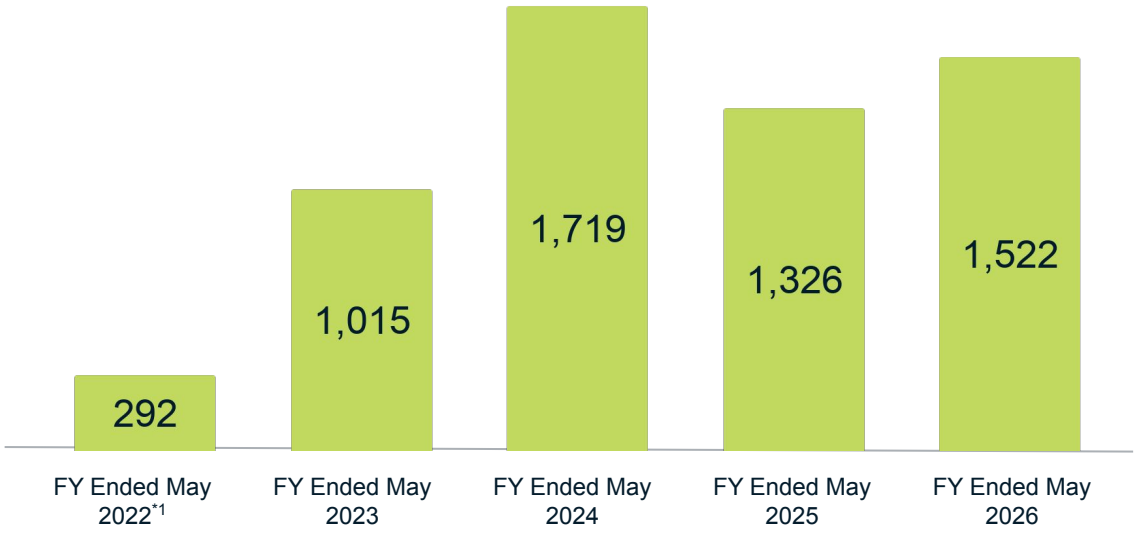
Competitiveness supporting the AxelLiner Business: Approximately 18 years of development and operation know-how × End-to-end service provision system

AxelLiner Business Performance

Provides development, manufacturing, launch, and operations for customer microsatellite projects. While government agency projects serve as our business foundation, projects for private companies are also progressing.

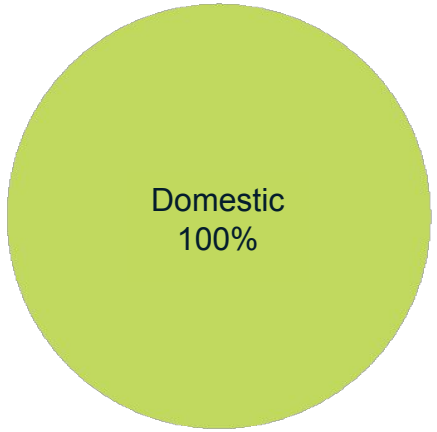
Revenue
(Full Year)

(Unit: million yen)

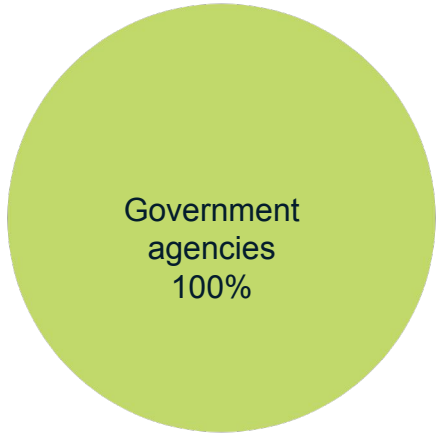


Major Customers of AxelLiner Business
(First Quarter of FY Ending May 2027)

By Region



By Customer *2



*1: For fiscal year ended May 2022, audit certification under Article 193-2, Paragraph 1 of the Financial Instruments and Exchange Act or equivalent has not been obtained.
*2: The major customer composition ratio for the first quarter of fiscal year ending May 2027 excludes Pale Blue Inc., with which we have initiated contract discussions.

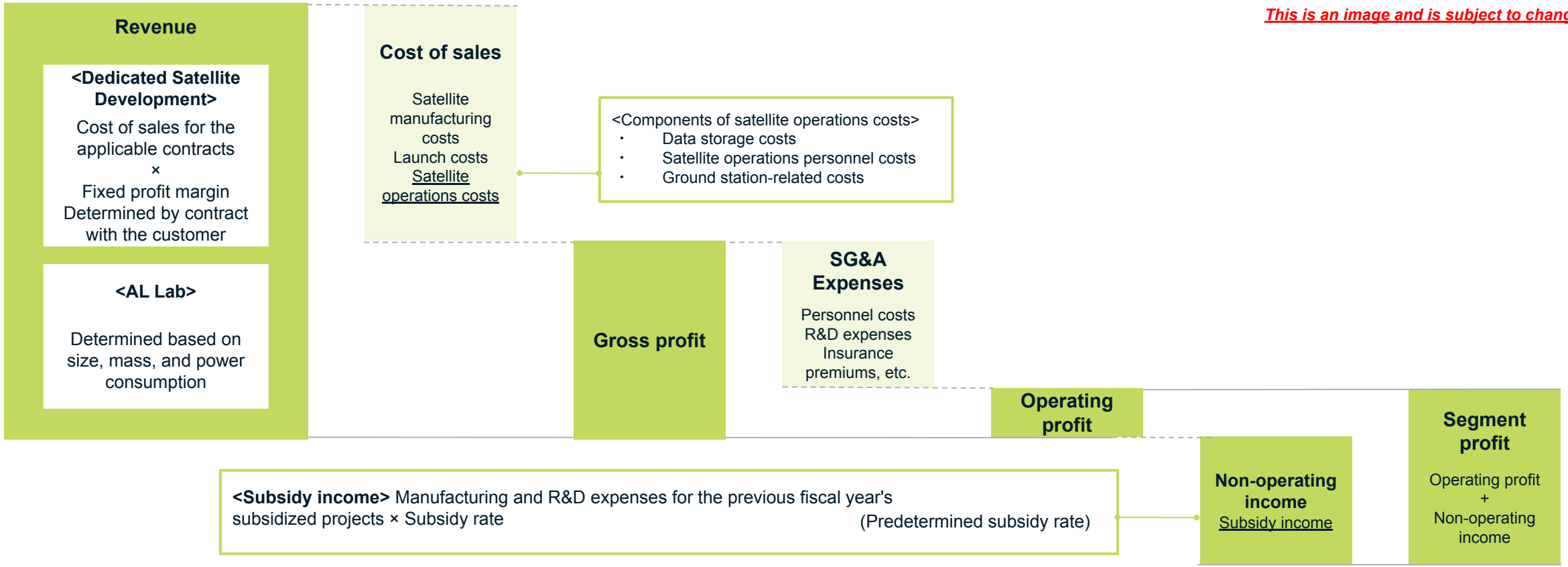
AxelLiner Business Revenue and Cost Structure

Dedicated satellite development is a business model that secures positive gross profit.
Aiming for a gross profit margin of approximately 40% through the expansion of AxelLiner Laboratory (AL Lab)

KPI

Number of demonstration satellites launched (cumulative 6 units from the FY ended May 2025 to the FY ending May 2028)
Progress for the FY ending May 2027 Q1: cumulative 2 units

This is an image and is subject to change

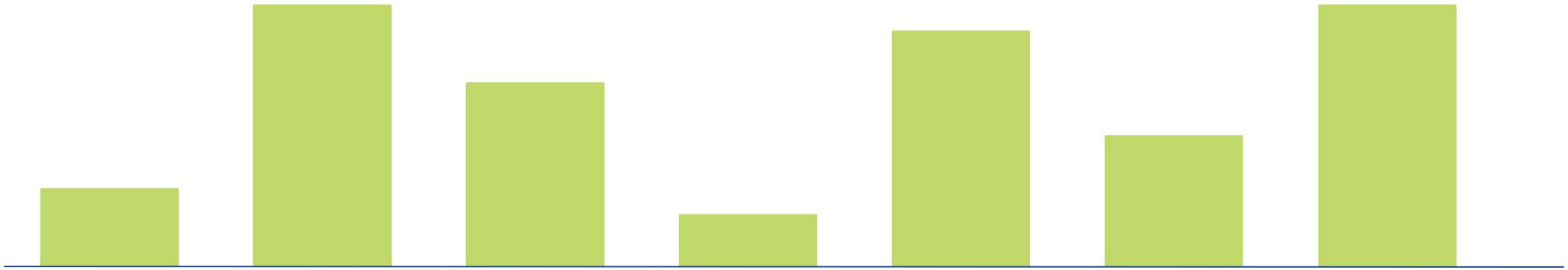


Note: The above shows the revenue and cost structure of the business, which may differ significantly from actual revenue and costs, and does not represent forecasts or estimates regarding future performance.
In addition, there is no guarantee that the breakdown, revenue, and cost structure of the above examples will be realized in the future.

AxelLiner Business: Illustration of Cost of Sales Incurrence for K Program

Cost of sales tends to increase during the materials procurement and launch phases, and decrease during the design and manufacturing/testing timings.

Project Progress (diagram)	Design	Materials Procurement	EM*2 Manufacturing /Testing	Design Revision (as needed)	FM*3 Materials Procurement	FM Manufacturing /Testing	Launch

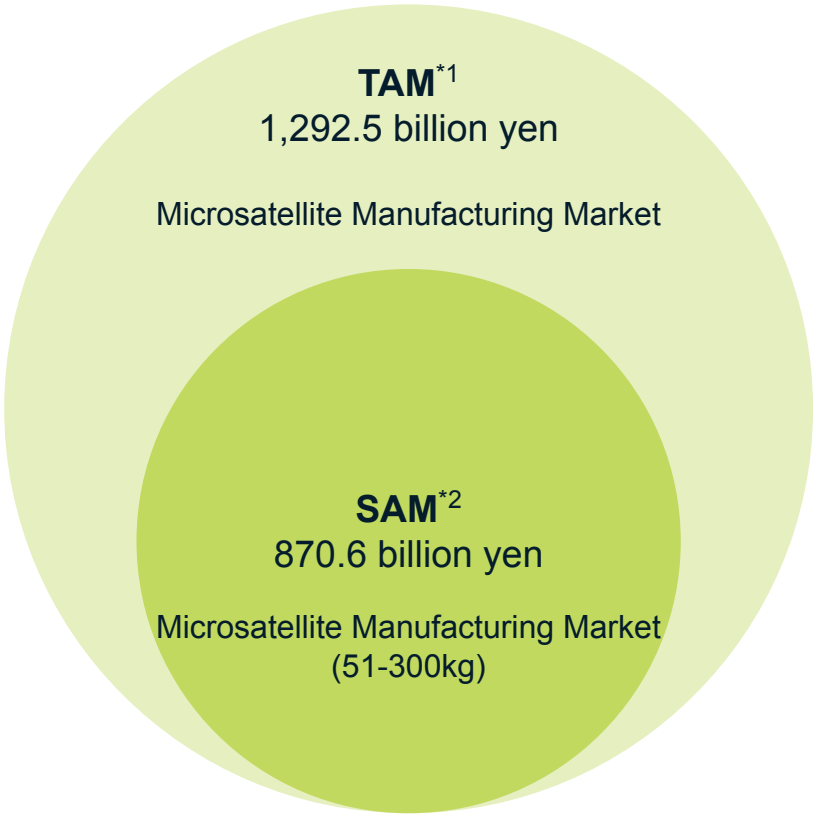


*1: This is an image of the costs recognized in each phase of project progress, and may differ from the actual amounts incurred in actual projects.
*2: Abbreviation for Engineering Model, a unit for ground-based testing.
*3: Abbreviation for Flight Model, a unit that is actually launched.

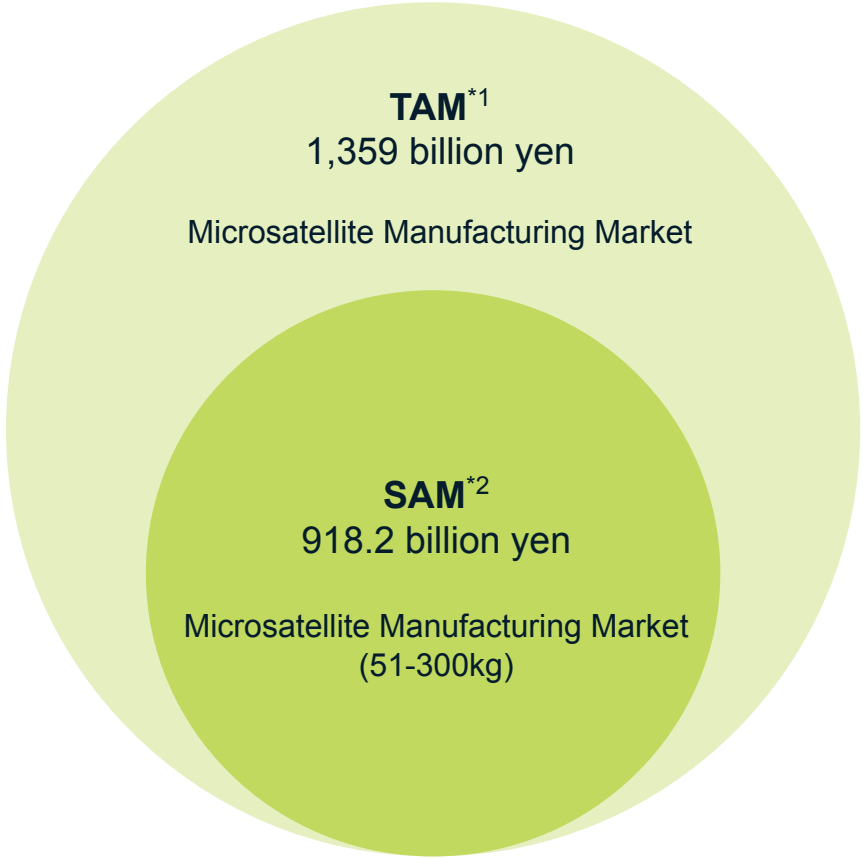
AxelLiner Business: Global Market Size for Microsatellite Manufacturing

The microsatellite manufacturing market targeted by the Company is expected to grow to 918.2 billion yen by 2030.

2025 (Actual)



2030 (Forecast)



Source: Prepared by the Company based on Novaspace, "Prospects for the Small Satellite Market, 11th edition, 2026." Converted at 1 USD = 160 yen.
*1: Total Addressable Market. BY MASS CATEGORY manufacturing value
*2: Serviceable Available Market. BY MASS CATEGORY manufacturing value, sum of 51-200 kg and 201-300 kg.

AxelLiner Business: Global Market Size of In-Orbit Demonstration Services

The in-orbit demonstration services market targeted by the Company is expected to grow to 310.7 billion yen by 2030.

2024 (Actual)

In-Orbit Demonstration Services Market

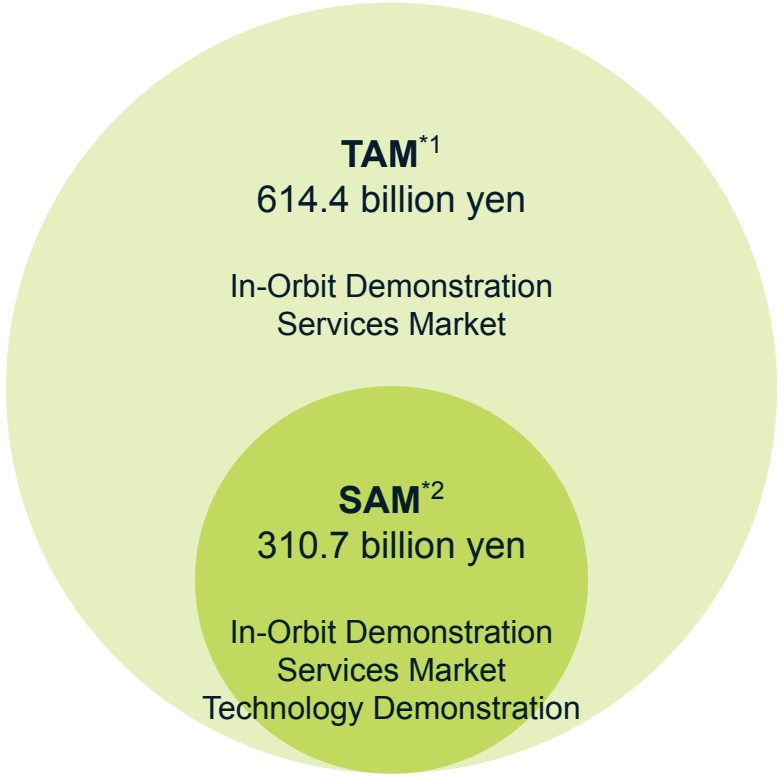
(Manufacturing market for technology development satellites designed to test new technologies or components)

TAM[*1]
246.4 billion yen

SAM[*2]
177.9 billion yen

In-Orbit Demonstration Services Market
Technology Demonstration

2030 (Forecast)



Source: Prepared by the Company based on DataIntelo, "Global In-Orbit Demonstration Services Market Analysis and Forecast, 2018-2033". Converted at 1 USD = 160 yen.
*1: Total Addressable Market. Global In-Orbit Demonstration Services Market
*2: Serviceable Available Market. By Service Type, Technology Demonstration

AxelLiner Business : Major Projects

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

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

Project Overview	Development and demonstration of satellite constellation infrastructure technology for optical communication, etc.
Project scale	**Maximum 60.0 billion yen**[*1]
Implementing organizations	**Axelspace Corporation**, Space Compass Corporation, NICT, NEC Corporation
Objective	・ Pioneer the development of satellite optical communication network technology to build global space communication infrastructure. ・ Gain technological superiority in the global market and take a leading position in rule-making, etc.
Company's role	・ Development of small LEO satellites, Earth observation satellites, and optical communication network control systems

[Project Overview]

- A project aimed at research and development of technology that enables the provision of data communication and data processing services with high capacity and low latency.
  Accounts for 51.9% of consolidated revenue for fiscal year ended May 2026
- Revenue is recorded using the percentage-of-completion method

[Order Backlog] (As of the end of fiscal year ended May 2026) 8,222 million yen

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

JAXA/ Basic research and in-orbit experiments on high-mobility electric propulsion for spacecraft

Project Overview	Provision of "AxelLiner Laboratory" for basic research and in-orbit experiments on high-mobility electric propulsion for spacecraft
Contract amount	**Total 638 million yen**
Company's role	・ Provision of in-orbit demonstration service "AxelLiner Laboratory"

JAXA/ Technology to Enhance Capability of Next Generation Earth Observation Satellites (Space Strategy Fund)

Technology development objective	**(A) Creation of New Markets**
Project title	Source-Specific CO2 Emission and Uptake Monitoring through Satellite Constellation and Aircraft Observations
Project scale	**3.0 billion yen (including launch and in-orbit demonstration costs) as the upper limit**[*1]
Lead organization	**Axelspace Corporation**
Partner organizations	**Meisei Electric Co., Ltd., ANA HOLDINGS INC., JIJ Inc.**
Collaborating organizations (excerpt)	Kagawa University, MUFG Bank, Ltd., Tokio Marine & Nichido Fire Insurance Co., Ltd., Universities Space Research Association (USRA)
Company's role	・ Development support and integration of onboard sensors, construction of verification systems using aircraft, optimization of large-scale spectral data processing, development of sensor demonstration satellites, in-orbit data evaluation, and overall management

*1: Represents the overall project scale and is not the order amount received by Axelspace.
Source: Company websites and public materials. This page contains forward-looking information. Please refer to page 61 for assumptions, limitations, constraints, and risks regarding forward-looking information.

Overview of AxelGlobe Business

Leveraging Earth observation data from a proprietary microsatellite constellation to support a wide range of applications, including agriculture and forestry, security, and mapping. Providing solutions tailored to customer needs through a partner network spanning more than 30 countries.

Features of the Medium-Resolution Microsatellite GRUS-1 Constellation

(1) High satellite utilization efficiency tailored to customer requests

By performing tasking imaging according to customer needs, we minimize unnecessary image acquisition and achieve efficient data acquisition.

(2) Wide-area imaging

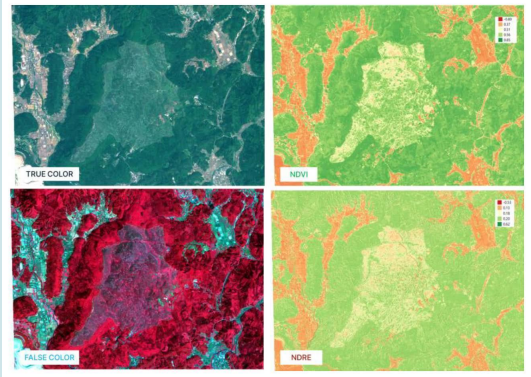
With an imaging swath of 55 km and a maximum imaging length of approximately 1,000 km, we support wide-area monitoring of coastlines, farmland, forests, and more.

(3) High-frequency imaging

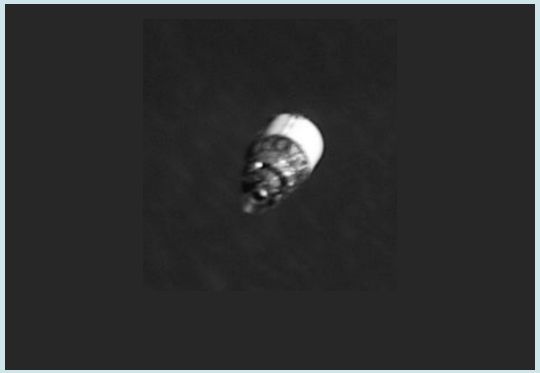
Imaging of the same location is possible once every 2-3 days, supporting change detection through regular observation and timely business decision-making.

Examples of Image Data Utilization

Agriculture and Forestry



SSA (Space Situational Awareness)



Security

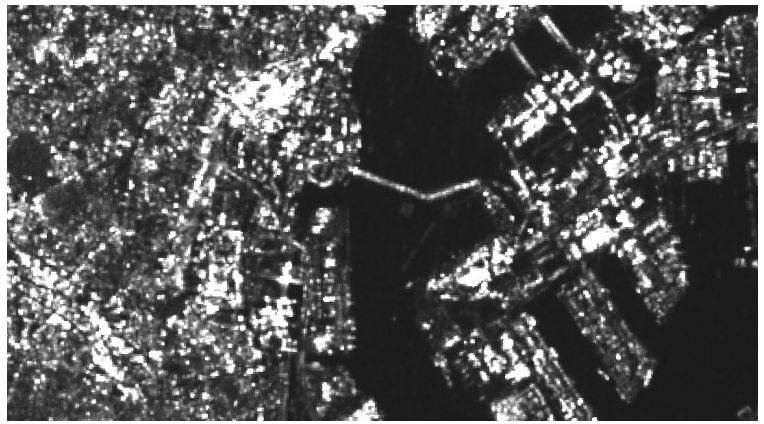


Mapping (Map Creation)



AxelGlobe Business: Providing Easy-to-Use Optical Satellite Imagery

The optical satellites used in the AxelGlobe Business are characterized by easy-to-use data, frequent imaging opportunities, and wide-area coverage.

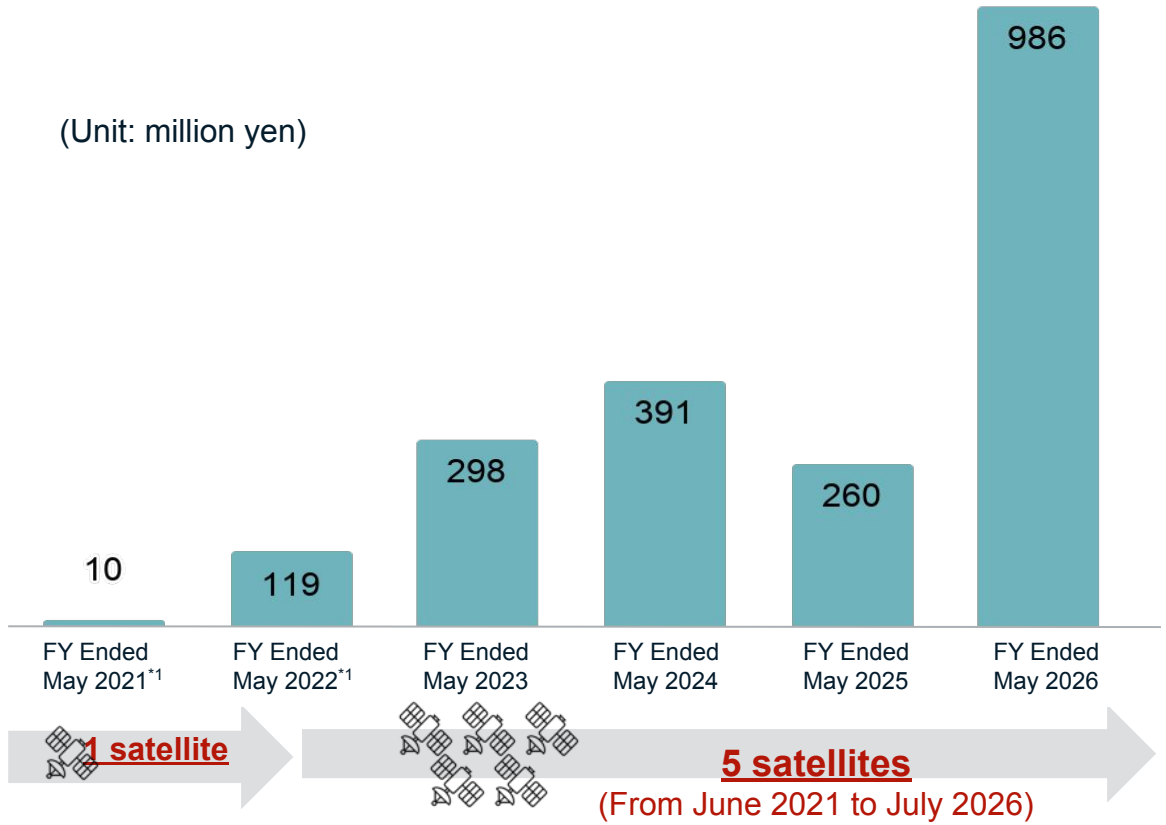
	Optical Satellites	SAR Satellites
Data usability	○ ・Color images ・Can be easily handled without specialized knowledge  Image captured by the Company's satellite "GRUS-1" Tokyo (Japan)	△ ・Monochrome and difficult to interpret with the human eye ・Specialized knowledge required for data handling  Source: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

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

AxelGlobe Business Performance

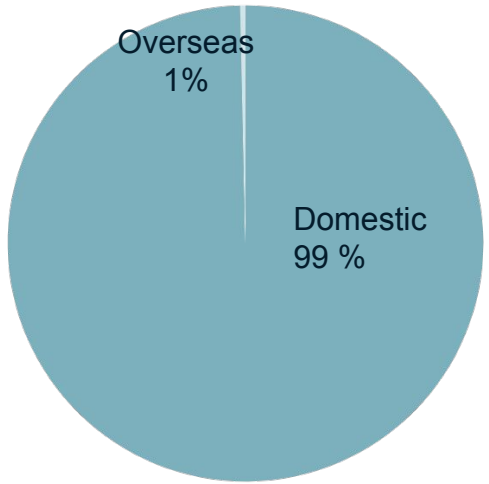
Axelspace has expanded imaging frequency and capacity by increasing the number of operational medium-resolution optical satellites in its constellation.
Revenue secured from government agencies as well as private enterprises and overseas customers.

Revenue (Full Year)

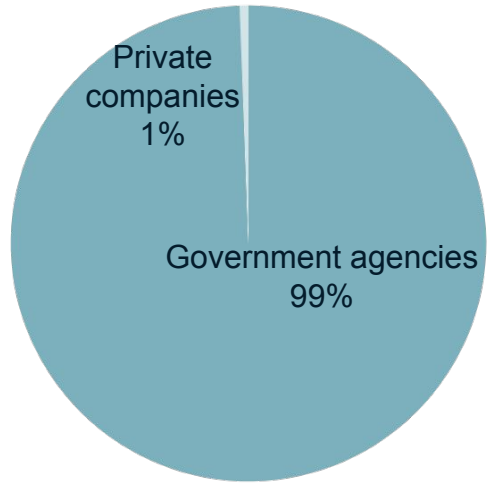


Major Customers of AxelGlobe Business (First Quarter of FY Ending May 2027)

By Region



By Customer



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

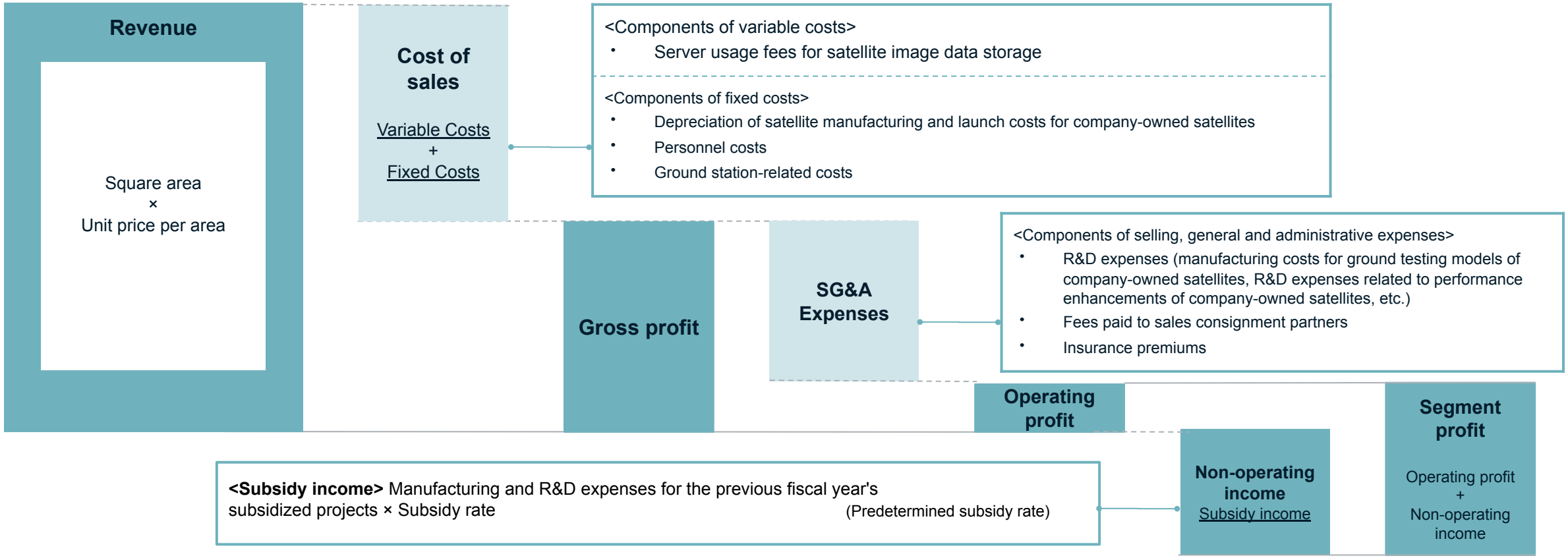
AxelGlobe Business Revenue and Cost Structure

Business model with low variable costs. Aiming for a contribution margin of 90-95%.

KPI

Number of Operating Satellites in Constellation (14 satellites as of the fiscal year ending May 2028)
Progress in the fiscal year ending May 2027 Q1: 4 satellites

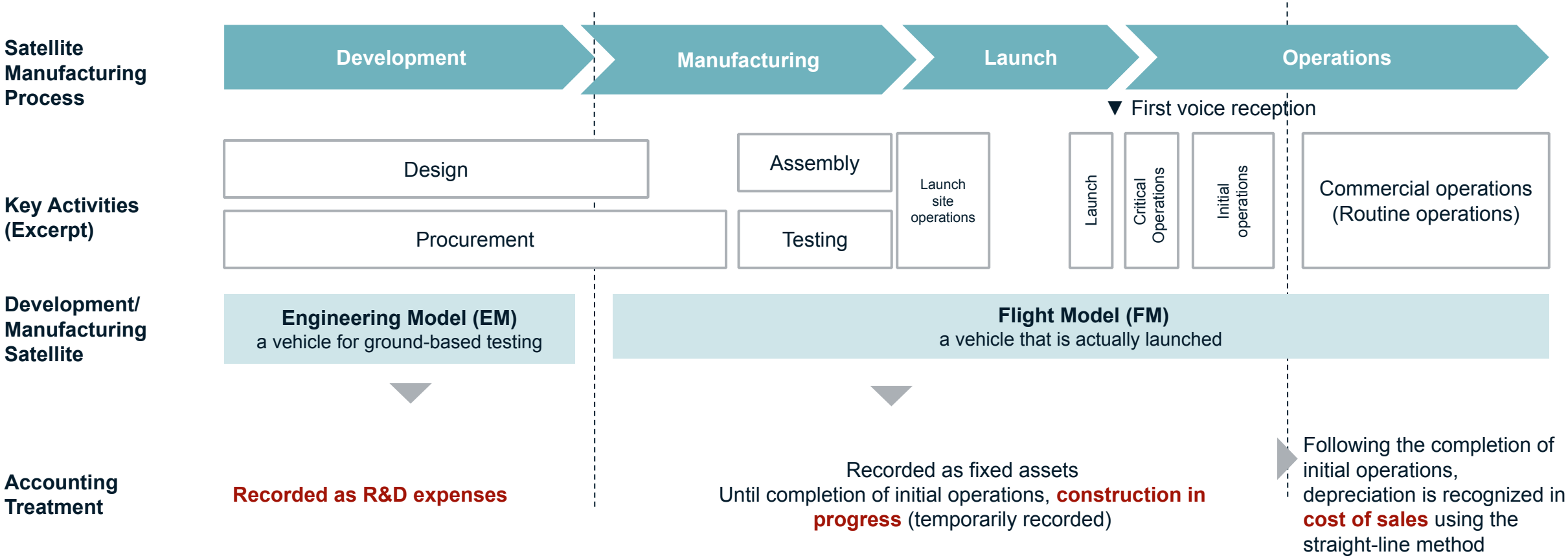
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Note: The above shows the revenue and cost structure of the business, which may differ significantly from actual revenue and costs, and does not represent forecasts or estimates regarding future performance.
In addition, there is no guarantee that the breakdown, revenue, and cost structure of the above examples will be realized in the future.

AxelGlobe Business: Accounting Treatment of Company-owned Satellites

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



AxelGlobe Business: Global Market Size of Earth Observation Data Services

The medium- and high-resolution satellite imagery data services market targeted by the Company is expected to grow to 650.7 billion yen by 2030.

2024 (Actual)

TAM
854.1 billion yen

Total Earth Observation Data Services Market*1

SAM
557.8 billion yen

Optical Satellites Medium- and High-Resolution Satellite Imagery Data Services*2

2030 (Forecast)

TAM
1,139.7 billion yen

Total Earth Observation Data Services Market*1

SAM
650.7 billion yen

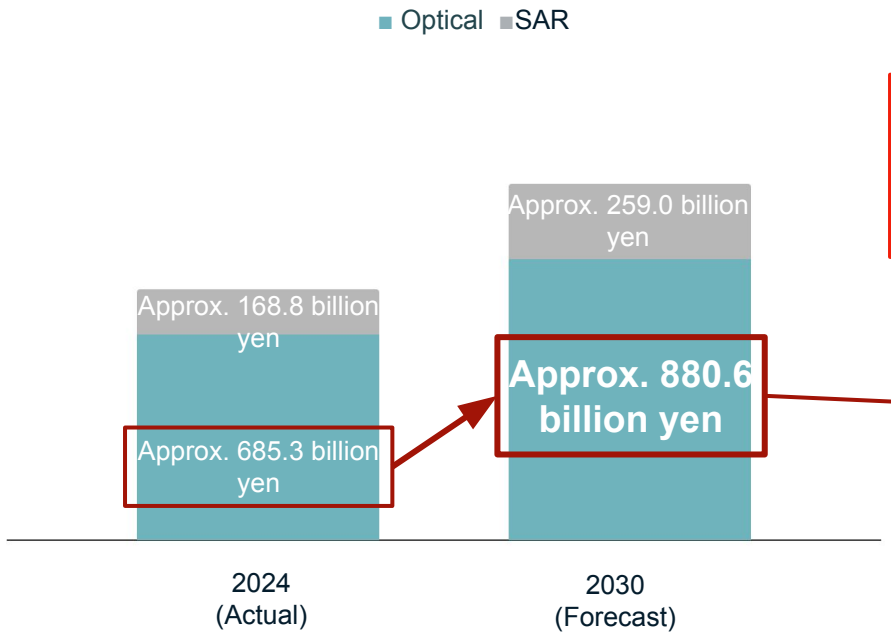
Optical Satellites Medium- and High-Resolution Satellite Imagery Data Services*2

Source: Prepared by the Company based on Novaspace, "Earth Observation Data & Services Market, 18th Edition, 2025." Converted at 1 USD = 160 yen.
*1: Commercial Data & VAS (Value Add Service) revenues
*2: Commercial Data & VAS (Value Add Service) revenues REVENUES BY SENSORS - Spectrum/REGIONS TOTAL REVENUES BY DATA TYPE

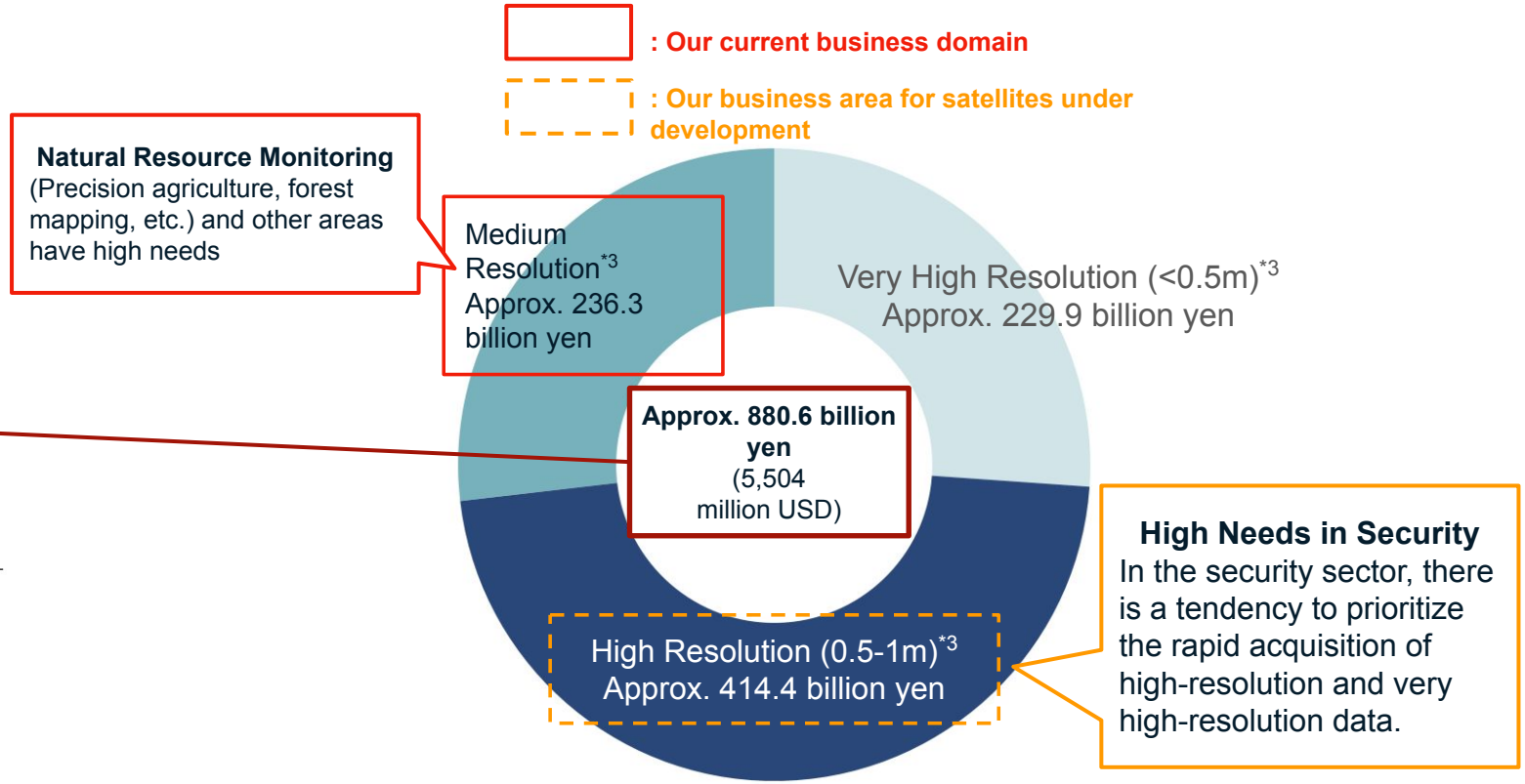
Constellation Expansion to Strengthen the Business Foundation: Market Data

Customer needs differ between medium resolution and high resolution, and the Company targets the medium resolution market, which is currently our core focus, and the high resolution market, for which our satellites are currently under development.

Market Size by Data Type *1*2



Market Size by Optical Satellite Resolution (2030) *1*3 and Differences in Usage



Source: Prepared by the Company based on Novaspace, "Earth Observation Data & Services Market, 18th Edition, 2025."
*1: Converted at 1 USD = 160 yen.
*2: Commercial Data & VAS (Value Add Service) revenues.
*3: Although the definition of resolution differs between Novaspace's market report and the definition in this document (please refer to the glossary on page 60), this slide presents the data from Novaspace's market

Competitive Landscape and Our Positioning (Optical Satellites)

Competitive Landscape	Operator		
	Japan	North America	Europe
Medium resolution · The number of medium-resolution satellite operators is limited globally	Axelspace	Company A (USA)	Company B (France)

There is a difference in customer needs between high-resolution and medium-resolution, and they are not substitutes for each other

High Resolution Very High Resolution				
· The U.S. is overwhelmingly ahead · There are currently no operators in Japan operating multiple satellites as a constellation	Axelspace FY Ending May 2028 and 2029: 5 satellites planned for launch	Company A (USA)	Company C (USA)	Company B (France)
	Company D 2027–2029 8 satellites planned for launch	Company E (USA)	Company F (USA)	Company G (Poland)
	Company H From 2027 onwards 10-satellite system planned	Company I (USA)	Company J (USA)	Company K (Spain)
				Company L (UK)

Source: Prepared by the Company based on the Ministry of Economy, Trade and Industry's "Trends in the Space Industry and Future Initiatives of the Ministry of Economy, Trade and Industry" and other public materials.
This shows the Company's own analysis of competitors based on their publicly disclosed information.

Differences from Competitors in the Optical Satellite / Medium-Resolution Sector

The Company provides images on a tasking basis and, through advanced attitude control technology, is able to provide high-quality images that meet customer needs.
Furthermore, as the business model is not centered on archives, it can suppress costs such as those for imaging data storage.

Service Provider	Ground Resolution*1	Satellite Size	Data Provision Method	Features
Axelspace	**2.2–2.5 m**	**100 kg class microsatellite**	**Tasking-based** Accepts imaging requests from customers to capture target areas and sells the resulting image data	· Enables flexible imaging in response to **customer needs, including emergency response** · Based on demand-driven imaging, **achieving efficient satellite operations by minimizing unnecessary data acquisition** (also supports archives as needed) · **Providing high-quality images of target areas captured from optimal angles through advanced attitude control technology. Also supports imaging of objects in space**
Competitor Company A (USA)	**Approx. 3.7 m**	**CubeSat (3U)*2**	**Archive-based** Captures and stores images of all regions without specifying areas, and sells them according to customer requests	· Imaging data often exists even without specific imaging requests (not guaranteed) · Requires holding large amounts of data, leading to accumulating data storage costs

Source: Prepared by the Company based on disclosure materials from each company. The table above shows the Company's own analysis of competitors based on their publicly available information.
*1: Ground resolution of medium-resolution satellite constellations.
*2: 1U is a standard for a 10 cm cubic microsatellite; 3U: 10 cm × 10 cm × 30 cm

AxelGlobe Business : Major Projects

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

Project scale	**Maximum 5.28 billion yen*1**
Implementing Organizations	**Axelspace Corporation,** Synspective Inc.
Objective	・ Securing domestic capability to build microsatellite constellations.
Company's Role	・ General-purpose satellite bus development, in-orbit demonstration of 100kg-class satellites

[Project Overview]

- A subsidy project for demonstration of design standardization, manufacturing efficiency, and operation autonomy and automation in anticipation of mass production of microsatellites.
- Following the completion of the inspection for FY2025, 1,209 million yen is expected to be recognized as subsidy income under non-operating income in the second quarter of the fiscal year ending May 2027.

[Subsidy Payment Method]

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

JAXA / Implementation of Satellite Data Utilization System (Space Strategy Fund)

Technology Development Objective	**(B) Establishing Foundations for Overseas Deployment**
Project Title	Establishing a Methodology to Tackle Social Challenges in Africa through a Japan-Originated Common Platform for Satellite Data Utilization
Project Scale	**300 million yen or less*1**
Lead Organization	General Incorporated Association Cross U
Partner Organizations	**Axelspace Corporation**, Double Feather Partners Inc., ENKOPA Lab LLC
Company's Role	Provision of satellite data and utilization technologies

Technology Development Objective	**(C) Developing mechanisms for satellite data application systems to gain satellite data solution businesses (observation, positioning, etc.)**
Project Title	Developing a Mechanism for Calibration, Validation, and Correction to Promote the Utilization of Domestically Developed Small Satellites
Project Scale	**Approximately 1 billion yen to 3 billion yen*1**
Lead Organization	Remote Sensing Technology Center of Japan (RESTEC)
Partner Organizations	Axelspace Corporation, PASCO Corporation, New Space Intelligence, Inc., Synspective Inc.
Company's role	Development of calibration and verification methods for optical sensors

*1: Represents the overall project scale and is not the order amount received by Axelspace.
Source: Company websites and public materials. This page contains forward-looking information. Please refer to page 61 for assumptions, limitations, constraints, and risks regarding forward-looking information.

Major Project of the AxelGlobe Business: Ministry of Defense "Satellite Constellation Project"

Axelspace Corporation is participating in this project as the sole provider of optical imagery. The total contract amount over the project period is 43.6 billion yen (excluding tax)*1

Project Overview

Ministry of Defense → Tri-Sat Constellation Co., Ltd. Tri-Sat Constellation → Satellite Operators: Axelspace Corporation, Synspective Inc., Institute for Q-shu, Pioneers of Space, Inc.

Client	Ministry of Defense
Project Name	Satellite Constellation Project
Project Duration	From February 19, 2026 to March 31, 2031 (approx. 5 years)
Total Project Scale	283.1 billion yen (including tax)*1

A PFI project (Private Finance Initiative) aimed at building a satellite constellation operated by private companies for the purpose of stably acquiring image information necessary to ensure the effectiveness of stand-off defense capabilities*2

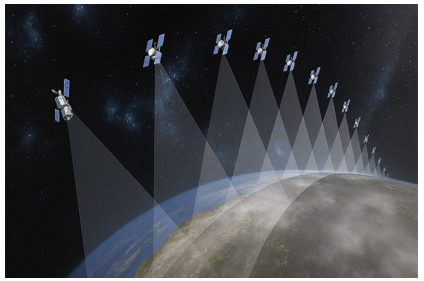
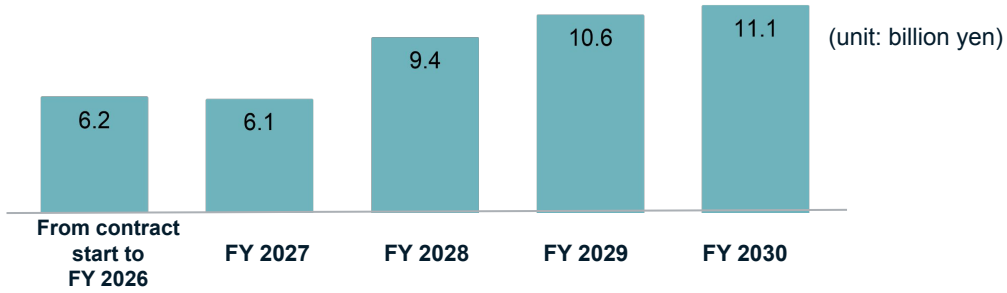


Image of satellite constellation © Ministry of Defense

Contract Amount by Fiscal Year for the Group (excluding tax) *1



Contract Name	Acquisition of image data from satellite constellation
Contracting Parties	Tri-Sat Constellation Co., Ltd. (Consortium members: Mitsubishi Electric Corporation, SKY Perfect JSAT Corporation, Mitsui & Co., Ltd.) Axelspace Corporation Mitsui Bussan Aerospace Co., Ltd.
Contract amount	43.6 billion yen (excluding tax)*1

Revenue recognition for the project

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

Note: Revenue may not be recognized in the anticipated period due to circumstances such as project failure or cancellation. In addition, if a decision is made to scale down the project, the revenue stated herein may not be recognized, or the actual timing and amount of orders received may differ materially. This page contains forward-looking information. Please refer to page 61 for assumptions, limitations, constraints, and risks regarding forward-looking information.

*1: Amounts are rounded down to the nearest hundred million yen. "FY" indicates the fiscal year of the client.

*2: The capability to effectively deter external attacks by dealing with targets from a distance outside the threat zone.

Vision for 5 Years from Now

To capture future global market growth opportunities, we aim to establish and evolve the business foundation for each of our two businesses.

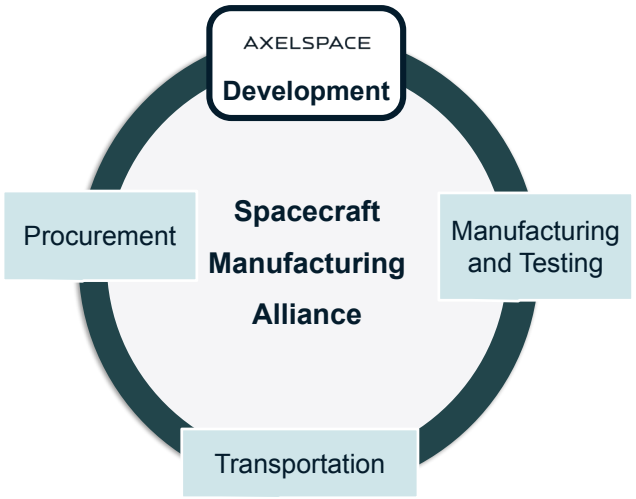
		Vision for the next 5 years
1	Constellation Expansion to Strengthen the Business Foundation	Expand the satellite constellation to 30 satellites by the end of FY ending May 2031
2	Building a Strong Business Foundation for In-Orbit Demonstration Services	Realize regular flights four times a year by FY ending May 2030
3	Expanding Satellite Production Capacity and Achieving Economies of Scale	Establish a manufacturing system capable of producing a total of 40 or more satellites over five years
4	Research and Development for Improving Satellite Performance	Improving the performance of the satellites themselves and technological development for new missions

Progress in Priority Areas: Relocation of Manufacturing Base

Working to establish a system capable of manufacturing a total of 40 or more satellites over 5 years

Improvement of Satellite Production Capacity: Relocation of Development Base

- Consolidate environmental testing functions previously conducted at separate locations to operate design, manufacturing, and testing in an integrated manner
- Position this manufacturing base as a place for accumulating know-how for mass production, and share the results of internal R&D and improvements with manufacturing partners
- Further ensure consistent quality by accelerating the satellite development cycle and scaling up mass production through collaboration with manufacturing partners.





GRUS-3 manufactured through the Spacecraft Manufacturing Alliance

Improvement of Production Efficiency: Further Improvement of Versatile Satellite Bus System

- Further promote the standardization of satellite buses and expand common designs
- Minimize individual designs for each mission to reduce development time and costs
- Optimize satellite size to support a wide range of major domestic and international rockets



Improvement of Production Efficiency: Organizational Change to Functional Organization

- Implemented an organizational change at Axelspace Corporation in March 2026. Abolished the divisional organization based on the two-business structure (AxelLiner Business, AxelGlobe Business) and reorganized into a functional organization. Aiming to implement more strategic sales and business development, improve satellite development efficiency, and strengthen procurement and production systems.

Consolidated Statements of Income

(Unit: million yen)	FY Ended May 2026 Q1	FY Ending May 2027 Q1	
	Actual	Actual	Year-on-year change
Revenue	308	950	+208.3%
Cost of sales	325	576	+77.1%
Gross profit (loss)	-16	374	—
Selling, general and administrative expenses	1,046	1,201	+14.8%
Operating profit (loss)	-1,063	-826	—
Non-operating income	4	10	+103.0%
Non-operating expenses	132	86	-34.9%
Ordinary profit (loss)	-1,190	-902	—
Extraordinary income	—	—	—
Extraordinary loss	230	1,879	+715.7%
Loss before income taxes	-1,421	-2,781	—
Income taxes - current	1	2	+107.1%
Income taxes - deferred	—	—	—
Net income (loss) attributable to owners of parent	-1,422	-2,784	—

Total revenue (non-GAAP)*1	308	950	+208.3%

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

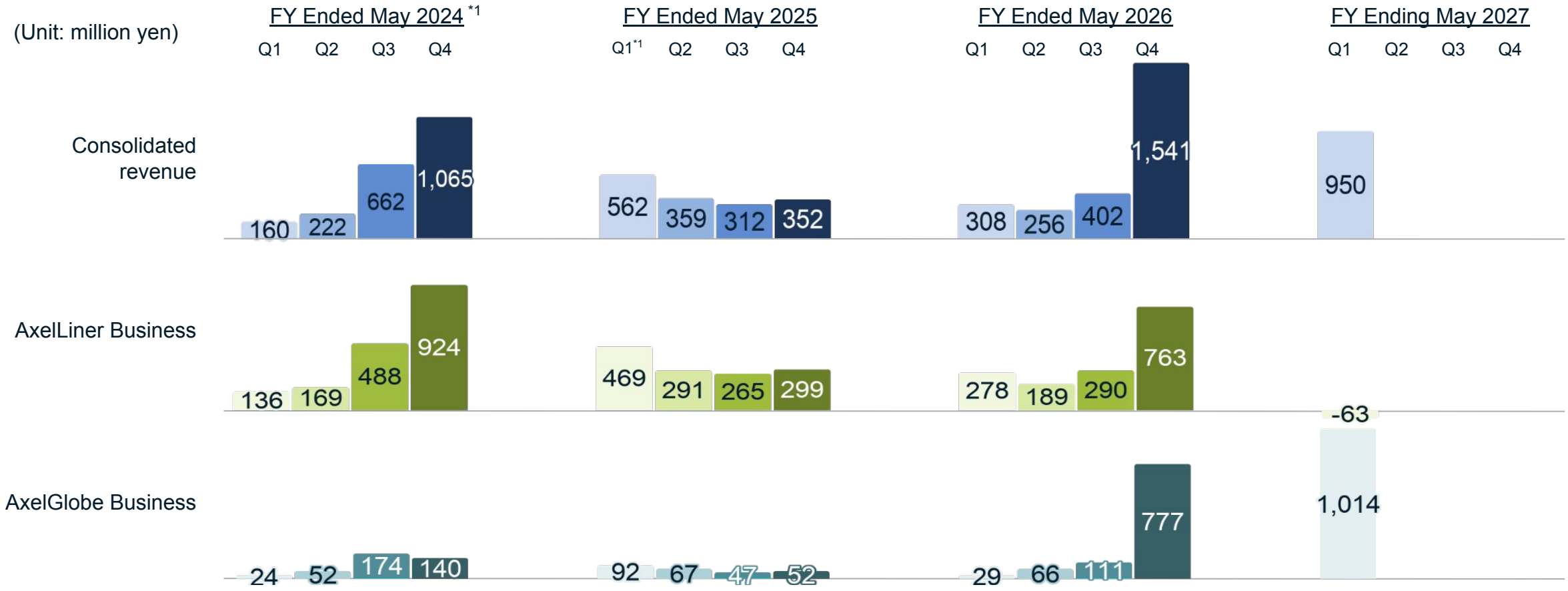
Consolidated Balance Sheets

(Unit: million yen)	FY Ended May 2026	FY Ending May 2027 Q1 Period-End	Main Factors for Increase/Decrease
	Actual	Actual	
Assets	**14,609**	**11,165**	
Current Assets	11,025	8,984	
Cash and cash equivalents	5,815	3,402	Increase in advances paid related to procurement of components
Other Current Assets	5,210	5,582	Increase in advances paid related to launch contracts, etc.
Non-Current Assets	3,583	2,180	Decrease in construction in progress due to the recording of impairment loss related to GRUS-3 anomaly
Liabilities	**7,615**	**6,920**	
Current Liabilities	4,353	3,938	
Borrowings	2,007	1,623	Decrease due to repayment of borrowings
Other Current Liabilities	2,345	2,316	
Non-Current Liabilities	3,262	2,981	
Borrowings	3,262	2,882	Decrease mainly due to reclassification of repayments due within one year to current liabilities
Equity	**6,993**	**4,244**	Decrease in retained earnings due to the recording of quarterly net loss
Total Liabilities and Equity	**14,609**	**11,165**	

Quarterly Financial Results Trends

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

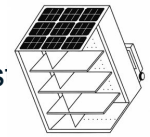
[Quarterly Revenue Trends by Segment]



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

Change in Segment Profit (Loss) Recording Method

Following the reorganization into functional organizations in March 2026, R&D expenses related to the bus section of company-owned commercial satellites, which were previously handled by the AxelLiner Business Division and recorded in the AxelLiner Business segment, were allocated to the AxelGlobe Business segment according to the actual business operations.

	Satellites related to in-house R&D (e.g., PYXIS, GRUS-3α)	**Company-owned satellites for AxelGlobe Business (e.g., GRUS-3)**	
	R&D of versatile satellite bus systems	**Satellite bus** Parts related to the basic performance of the satellite. Includes power systems, software, s attitude control systems, etc. 	**Mission payload** Equipment installed on the satellite to fulfill its mission, such as cameras and radar (e.g., telescope in the case of GRUS-3) 
Previous (Through the third quarter of the FY ended May 2026)	Recorded as R&D expenses (SG&A) in the AxelLiner Business segment	Recorded in the AxelLiner Business segment *	Recorded in the AxelGlobe Business segment *
Going Forward (FY ended May 2026 onward)	Recorded as R&D expenses (SG&A) in the AxelLiner Business segment	Recorded in the AxelGlobe Business segment *	Recorded in the AxelGlobe Business segment *

* The accounting treatment of costs related to company-owned satellites varies depending on the operational phase. Please refer to page 46 for details.

Note: Images are for illustrative purposes only.

Main Assumptions for Financial Forecast

AxelLiner Business

Revenue

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

Cost of Sales, Segment Profit

- Cost of sales primarily includes material costs/expenses and personnel costs for NEDO projects. Personnel costs are calculated based on the personnel plan for each project, using the Headcount × average personnel cost per person. Material costs/expenses are estimated and calculated based on the development schedule by estimating the quantity of necessary materials/services and purchase unit prices.
- SG&A includes R&D expenses for versatile satellite bus systems, etc.

AxelGlobe Business

Revenue

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

Cost of Sales, Segment Profit

- Cost of sales primarily includes expenses related to image data acquisition, data processing, and personnel costs. These expenses primarily include server costs for storing captured image data, communication costs between satellites and ground stations, and outsourcing costs. In addition, depreciation is included after the start of commercial operation of company-owned satellites (depreciation period: 5 years).
- SG&A includes R&D expenses such as development costs for Engineering Models of satellites planned for commercial operation, as well as commissions to distributors.

[Note: Non-operating income]

- The expected subsidy amount is calculated based on the planned expenditure amount for the project adopted under the NEDO "Development and Demonstration of General-Purpose CubeSat and Microsatellite Buses (NEDO Fiscal Years 2023–2026)" (NEDO fiscal year) and reflected in the Financial Forecast after considering the settlement and inspection period.

Glossary *1

Term	Description
Bus (Satellite bus)	A generic term for the equipment (bus equipment) necessary for basic satellite functions (communications, power supply, attitude control, etc.) and the satellite's main structure.
Mission	The purpose of the satellite. In the case of an optical Earth observation satellite, optical Earth observation is the mission, and the telescope and imagery system correspond to mission equipment.
Component	Various types of equipment, such as computers and communication equipment, that make up the satellite.
Payload	Payloads on board satellites. Mission equipment such as scientific instruments and experimental devices is loaded.
CubeSat	Small satellites weighing several kg. In this material, it refers to small artificial satellites weighing up to 50kg.
MicroSat	Small satellites weighing from approx. 50kg to 300kg.
JAXA	Japan Aerospace Exploration Agency (JAXA)
NASA	National Aeronautics and Space Administration.
LEO	Low Earth Orbit.
LSP	Launch service provider that provides rocket launch service business, such as SpaceX.
Ground resolution	Ability to measure or identify objects with observation equipment such as Earth observation satellites. The distance that one side of a pixel, the smallest unit that makes up an image, corresponds to on the ground.
Medium resolution	Ground resolution of approx. 1m to 10m.
High resolution	Ground resolution of 1m to 50cm.
Very High Resolution	Ground resolution of less than 50cm.
SAR	Synthetic Aperture Radar. While optical satellites observe the reflection of sunlight from the Earth's surface, SAR satellites observe the reflection of radio waves emitted by the satellites themselves. They have the characteristic of being able to observe regardless of time or weather, making it easier to extract changes in objects.
Tips&Cue	A system that uses trigger information (Tips) obtained from certain observations or sensor data to send signals (Cues) to other satellites to perform detailed observations.
SSA	Observation and identification of objects in satellite orbits, including artificial satellites and space debris (Space Situational Awareness).

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

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