



Consolidated Financial Summary for the Fiscal Year Ended May 2026

Axelspace Holdings Corporation

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

July 14, 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.

Vision and Mission

Space within Your Reach

We are pioneers of microsatellite technology advancing the frontiers of space business,
reimagining traditional ways of using space,
and creating a society where everyone on our planet can make space part of their lives.

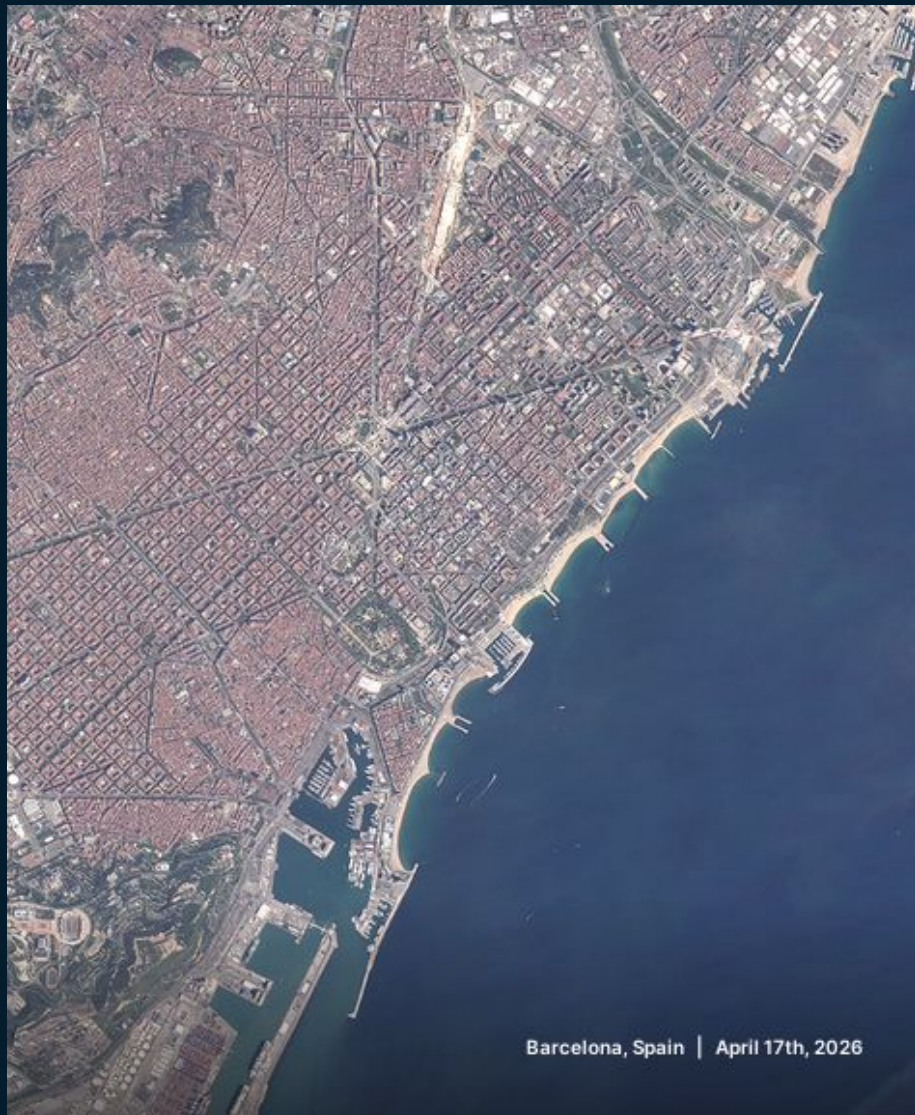
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Financial Results for the FY Ended May 2026

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.

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: FY Ended May

Financial Results

- Revenue increased by 58.1% year-on-year to 2,508 million yen. Government projects in the AxelGlobe Business contributed to this.
- Order backlog increased by 366.3% year-on-year to 53,375 million yen due to new orders for government projects.

R&D / Manufacturing

- Development of high-resolution satellites scheduled for launch in FY Ending May 2028 is progressing.
- Started R&D on a versatile satellite bus system

Business ^{*1}

- Successfully launched seven next-generation Earth observation microsatellites "GRUS-3" simultaneously, completed critical operations, and are currently in initial operations
- Concluded a service contract with JAXA regarding the provision of AxelLiner Laboratory

Finance & Accounting

- Cash and cash equivalents balance is 5,815 million yen
- Construction in progress increased by 3,335 million yen due to the manufacturing of "GRUS-3" and other factors

Key Indicators

Total Revenue

2,995 million yen

Order backlog

53,375 million yen

Adjusted EBITDA ^{*2}

-3,340 million yen

Cash and Cash Equivalents

5,815 million yen

*1: Includes content announced from the end of the FY Ended May 2026 (May 31, 2026) to the announcement date (July 14, 2026).

*2: Adjusted EBITDA = Ordinary profit + interest expense + depreciation + share-based compensation expenses

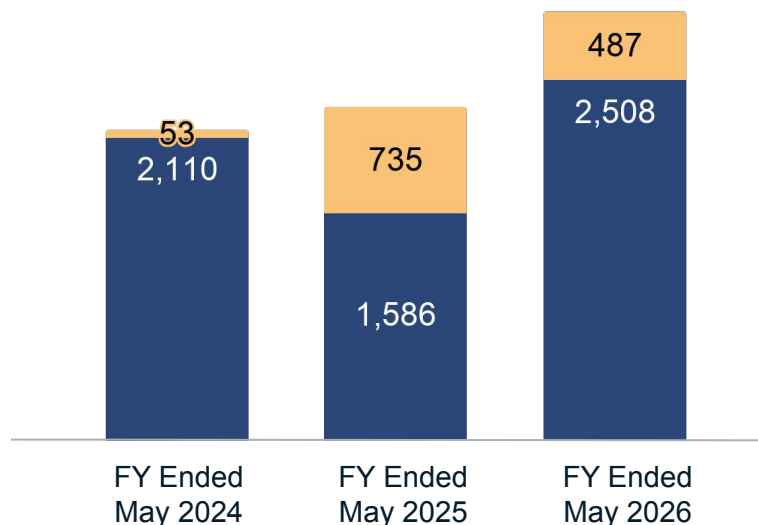
Financial Results Trends

In the fiscal year ended May 2026, revenue increased due to an increase in government-related projects in the AxelGlobe Business. On the other hand, upfront investment burdens increased due to an increase in R&D investment for company-owned satellites, such as the performance verification satellite "GRUS-3α" launched during the period and high-resolution satellites.

(Unit: million yen)

Revenue / Total Revenue ^{*1}

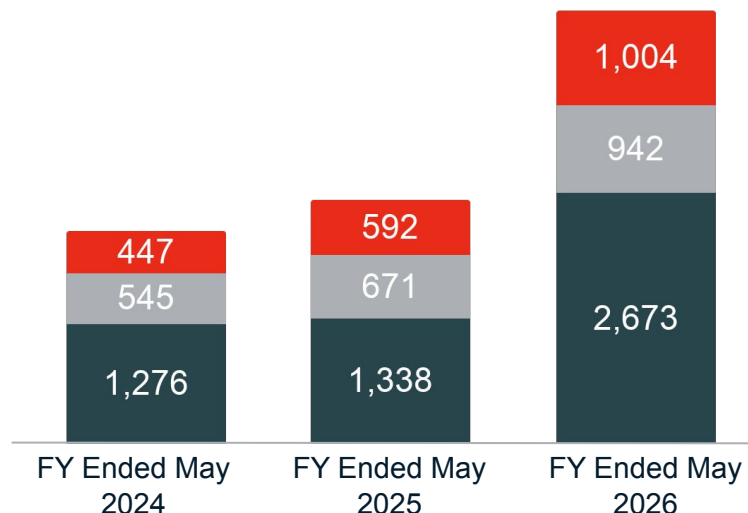
■ Revenue ■ Subsidies



- Revenue increased due to an increase in government-related projects within the AxelGlobe business (see page 10 for details).

Selling, General and Administrative Expenses

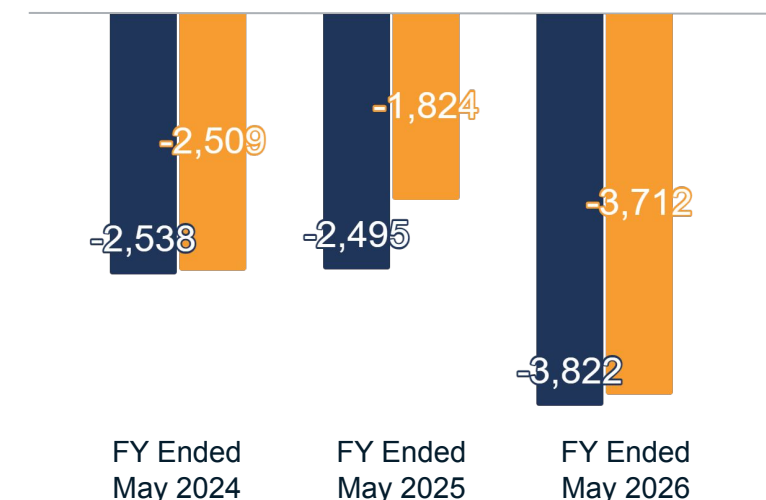
■ R&D expenses ■ Personnel costs ■ Other



- Increase in R&D expenses for company-owned satellites such as performance verification satellite "GRUS-3α" and high-resolution satellites
- Increase in personnel costs and recruitment costs.

Operating Loss / Ordinary Loss

■ Operating loss ■ Ordinary loss



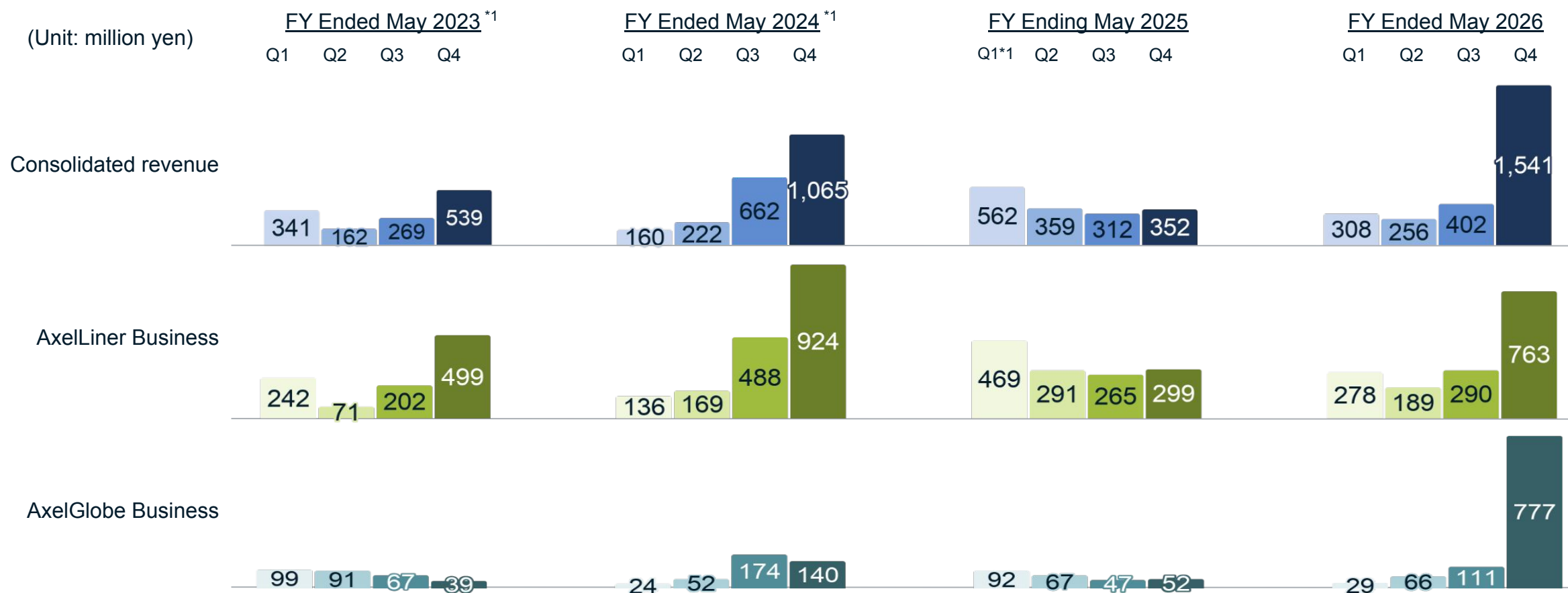
- Increase in SG&A expenses
- Increase in non-operating expenses due to higher interest expense and share issuance costs

*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.

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 the Q4.

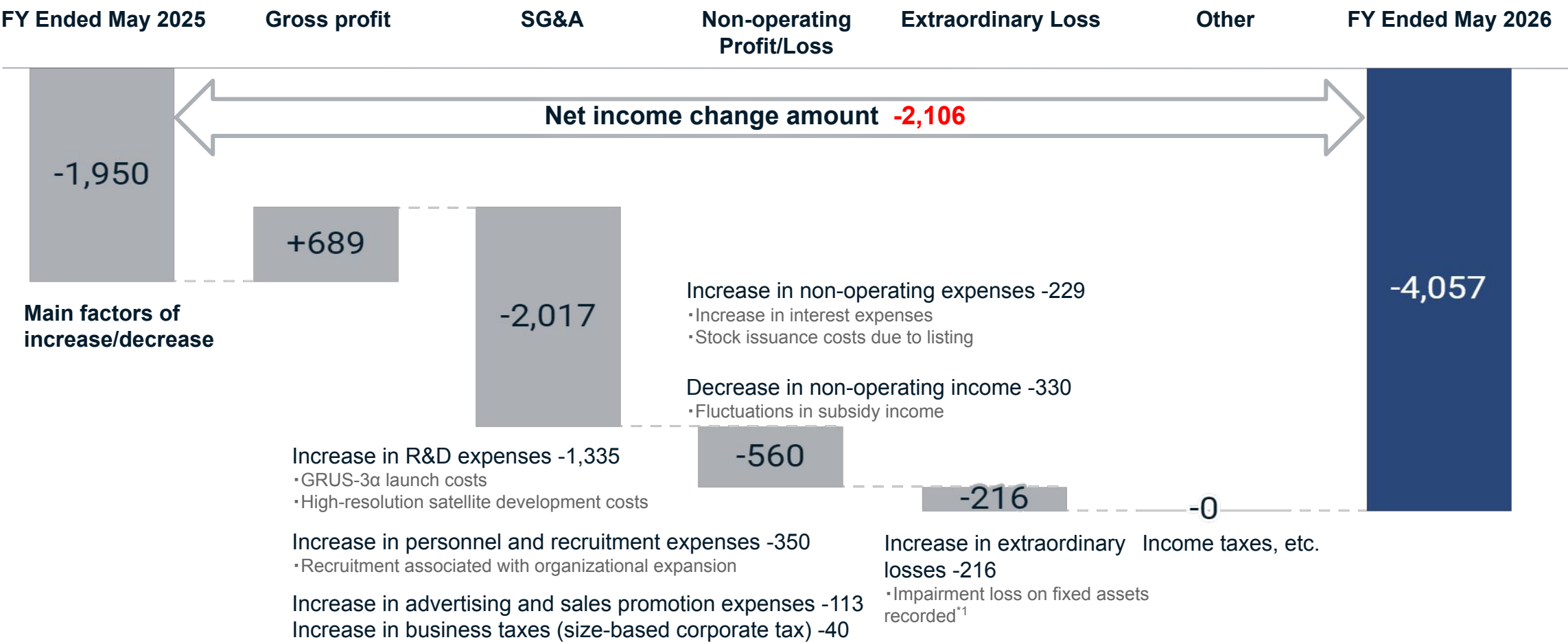
[Quarterly Revenue Trends by Segment]



^{*1}: For FY Ended May 2023, FY Ended May 2024, and Q1 of FY Ended May 2025, reference values are provided as quarterly consolidated financial statements were not prepared.

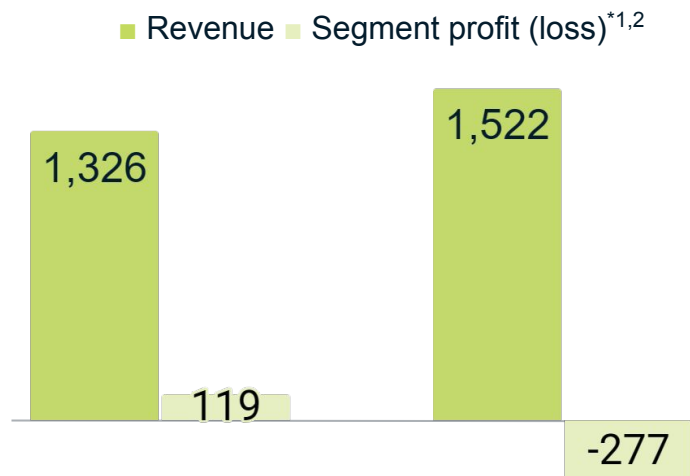
Factors Behind the Change of Consolidated Net Loss (YoY Comparison)

While gross profit increased due to higher sales, profit levels fell below the same period of the previous year due to active R&D investment in satellite development aimed at future growth. (Unit: million yen)



*1: Please refer to the 'Consolidated Financial Results for the Fiscal Year Ended May 2026 (Japanese GAAP)' announced on July 14, 2026 (Japanese only).

Performance by Segment: AxelLiner Business



(Unit: million yen)	FY Ended May 2025 ^{*2}	FY Ended May 2026	Year-on-year change
Revenue	1,326	1,522	+14.8%
Cost of sales ^{*2}	1,175	1,382	+17.6%
Gross profit ^{*2}	150	139	-7.4%
Segment profit (loss) ^{*1,2}	119	-277	-

【 Year-on-year variance 】

- **Revenue**
 - Revenue increased because the cost of sales increased in the K Program, where revenue is recognized based on cost of sales
 - Revenue increased from the FY Ended May 2026 due to the start of the in-orbit demonstration service "AxelLiner Laboratory"
- **Cost of sales, Gross profit ^{*2}**
 - Cost of sales increased due to the manufacturing schedule under the K Program
- **Segment profit or loss ^{*1,2}**
 - Increase in R&D expenses for in-orbit demonstration experiments of the versatile satellite bus, such as launch costs for "GRUS-3α"
 - Increase in personnel costs
 - Decrease in subsidy income recorded as non-operating income

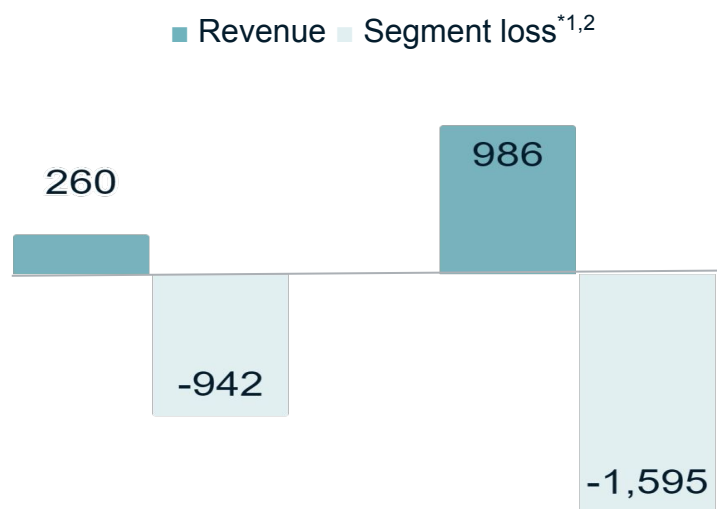
【 Performance analysis 】

- **Progress against KPI**
 - Number of demonstration satellites launched is the KPI
 - Cumulative 6 units from the FY ended May 2025 to the FY ending May 2028
 - Current progress: Cumulative 1 satellite
Launch of 1 satellite, GRUS-3α, in the FY ended May 2026

*1: Segment profit (loss) is based on ordinary profit or 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. Segment information for the FY ended May 2025 has also been prepared based on the revised measurement method.

Performance by Segment: AxelGlobe Business



(Unit: million yen)	FY Ended May 2025*2	FY Ended May 2026	Year-on-year change
Revenue	260	986	+278.6%
Of which, government agencies	126	870	+585.4%
Of which, private companies	133	116	-13.1%
Cost of sales*2	303	328	+8.2%
Gross profit (loss)*2	-42	657	-
Segment loss*1,2	-942	-1,595	-

【 Year-on-year variance 】

- **Revenue**
 - Revenue increased significantly, driven by new orders for the Satellite Constellation Project
- **Cost of sales, Gross profit*2**
 - Cost of sales increased slightly due to a review of the measurement method for a portion of R&D expenses related to the manufacturing of company-owned satellites
- **Segment loss*1,2**
 - Increase in R&D expenses related to high-resolution satellites
 - Increase in personnel costs

【 Performance analysis 】

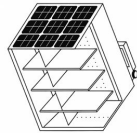
- **Progress against KPI**
 - Number of constellation operational units is the KPI
 - 14 satellites by the FY Ending May 2028
 - Current progress: As of the end of the FY Ended May 2026, 5 satellites are in operation

*1: Segment profit (loss) is based on ordinary profit or 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. Segment information for the FY ended May 2025 has also been prepared based on the revised measurement method.

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, structure, attitude control devices, 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 (FY Ended May 2026 up to Third Quarter)	Recorded as R&D expenses (SG&A) in the Axelliner Business segment	Recorded in the Axelliner Business segment *	Recorded in the AxelGlobe Business segment *
			
Future (FY Ended May 2026 Full Year and beyond)	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 53 for details.

Note: Images are for illustrative purposes only.



San Francisco River, Pilao Arcado, Brazil | June 12th, 2026

Management Strategy

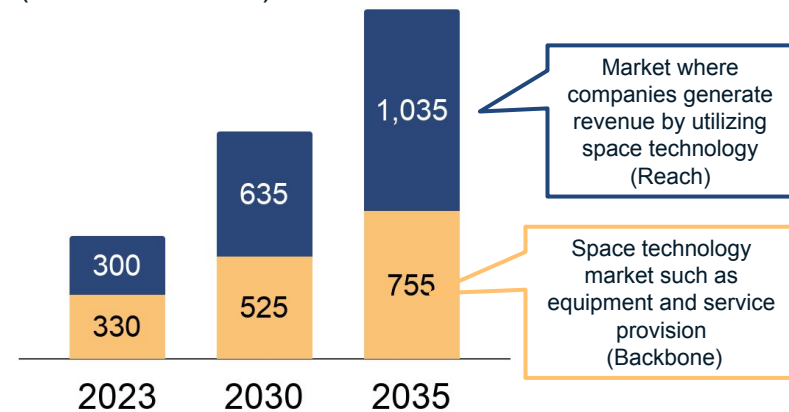
External Environment: Trends in the Space Industry in Japan and Overseas

The space industry is expected to expand both in Japan and overseas, with public and private investment becoming more active

Global Trends

- The global space market is expected to reach approximately 1.8 trillion dollars by 2035
Of this, 58% is in areas where companies generate revenue by utilizing space technology

<Global Space Market Size>
(Unit: billion USD)



Source: Prepared by the Company based on McKinsey & Company, "Space: The \$1.8 trillion opportunity for global economic growth" (April 2024) and Ministry of Economy, Trade and Industry, "Future Direction of Initiatives in the Space Industry" (March 2025)

Domestic Trends

<Space Strategy Fund>

- Target space-related projects include "Transportation," **"Satellites, etc.,"** and "Exploration, etc."
- Total scale of 1 trillion yen by FY2033



Source: JAXA, "Space Strategy Fund Website"

<Space Policy of the Ministry of Defense and Self-Defense Forces>

- Regarding the space-related budget, since the FY2023 budget, it has been significantly increased.
- Approximately 1 trillion yen allocated in the first **4 years of the Defense Buildup Program (5 years)**

Source: Ministry of Defense, "Strengthening Defense Capabilities in the Space Domain" (May 2026)

<17 Strategic Fields in the Japan Growth Strategy Council>

- In the "Draft Roadmap for Public-Private Investment in Major Products and Technologies," 6 fields mention the use of space or satellites
 - AI/Semiconductors
 - Shipbuilding
 - Quantum Technologies
 - Synthetic Biology and Biotechnology
 - **Aviation and Space (Details on next page)**
 - Digital and Cybersecurity
 - Content Industry
 - Foodtech
 - Energy Security and Green Transformation (GX)
 - Disaster Prevention and National Resilience
 - Drug Discovery and Advanced Medical Activities
 - Fusion Energy
 - Materials (Critical Minerals/Components)
 - Port Logistics
 - Defense Industry
 - Information and Telecommunications (Described on page 24)
 - Ocean

Items in red are directly related to our business domain
Items underlined are those that mention the use of space, satellites, or satellite data in their goals or roadmaps

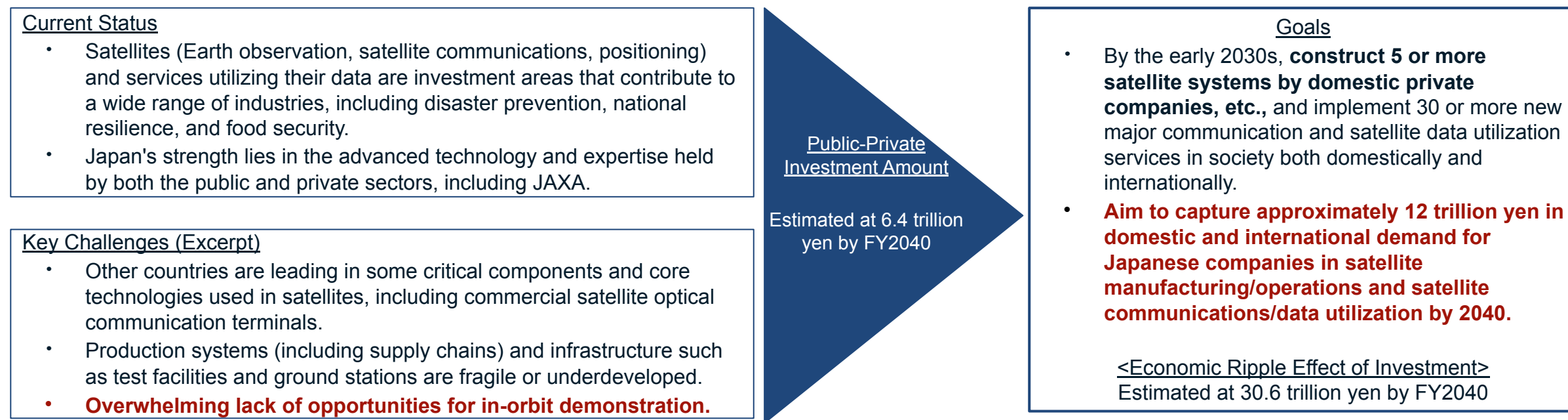
Source: Cabinet Secretariat, "Draft Roadmap for Public-Private Investment in Major Products and Technologies," in 17 Strategic Fields" (June 2026)

External Environment: Estimated Public-Private Investment by the Japan Growth Strategy Council

Domestically, the Japan Growth Strategy Council's "Satellite/Service" sector specifies an estimated 6.4 trillion yen in public-private investment by FY2040, and aims to capture approximately 12 trillion yen in domestic and international demand for satellite manufacturing/operations and satellite communications/data utilization by 2040.

It is expected that all areas in which the Company operates—satellite manufacturing, in-orbit demonstration services, and satellite data utilization—will benefit from this tailwind.

<Summary of the Japan Growth Strategy Council, Aviation and Space Field "Key Products and Technologies" (5) Satellite/Service Roadmap (Draft)>



Business Overview

Developing two businesses centered on microsatellite development and manufacturing technology cultivated since the company's founding.



AxelLiner

(Service started: 2022~)

Provides **Customers' Satellite Projects**
from **Development to In-orbit Operations.**

Microsatellite
Technologies
Development &
Manufacturing



Service provision scope to customers

Development



Manufacturing



Launch



Mission
(Earth
observation, etc.)



Operations



Data acquisition
and analysis



AxelGlobe

(Service started: 2019~)

Provides **Satellite Imagery and Related Services**
with **Our Operating Satellites**

Note: Images represent the concept of each process.

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.

- 1 Constellation Expansion to Strengthen the Business Foundation
- 2 Building a Strong Business Foundation for On-Orbit Demonstration Services
- 3 Expanding Satellite Production Capacity and Achieving Economies of Scale
- 4 Research and Development for Improving Satellite Performance

Vision for the next 5 years

Expand the satellite constellation to **30 satellites** by the end of the fiscal year ending May 2031

Realize **regular flights four times** a year by FY ending May 2030

Establish a manufacturing system capable of producing **a total of 40 or more satellites over five years**

Improving the performance of the satellites themselves and technological development for new missions

Constellation Expansion to Strengthen the Business Foundation: Target Number of Operating Satellites

To expand global Earth observation capabilities, **by the end of FY Ending May 2031 we aim to operate a constellation of approximately 30 medium- and high-resolution satellites.**

<Announced Constellation Development Plan ^{*1}>

	Satellite Name	Number of Satellites	Launch Timing	Commercial operation Start	FY Ended May 2026	FY Ending May 2027	FY Ending May 2028	FY Ending May 2029	FY Ending May 2030	FY Ending May 2031
Med-resolution	GRUS-1 (A)	1 satellite	December 2018	January 2019	Operations					
	GRUS-1 (BCDE)	4 satellites	March 2021	June 2021	Operations					
	GRUS-3 (ABCDEFG)	7 satellites	July 2026	By the end of 2026		Operations				
High-resolution	High-resolution satellites	3 satellites	FY Ending May 2028	Undetermined			Operations			
	High-resolution satellites	2 satellites	FY Ending May 2029	Undetermined				Operations		
	Med- and High-resolution satellites	18 satellites	Undetermined	Undetermined					Operations	

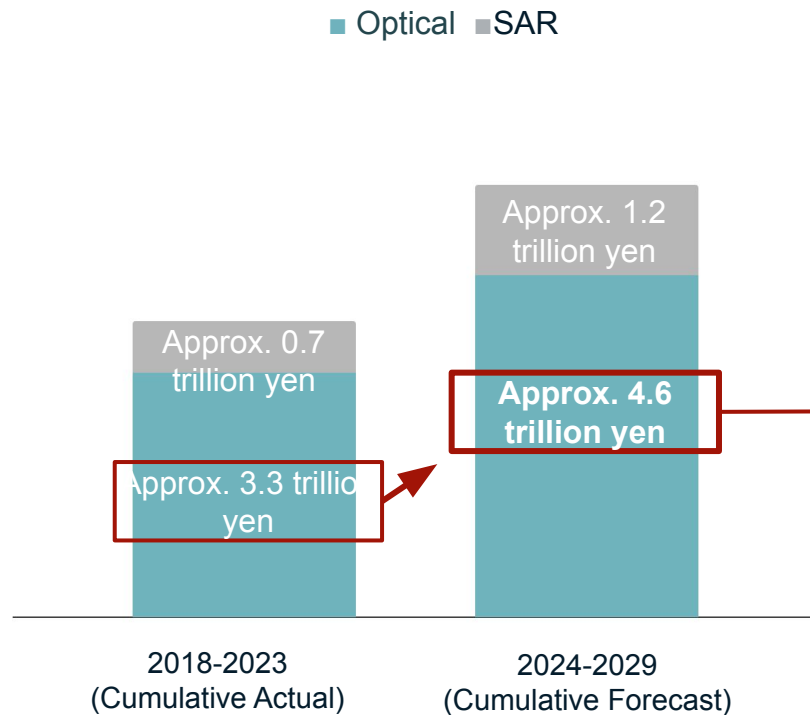
Note: The above schedule is a plan assuming smooth business progress, and the actual launch schedule may differ significantly. Additionally, there is no guarantee that the above launch schedule will be realized in the future.

*1: The design service life of our proprietary constellation satellites is assumed to be 5 years.

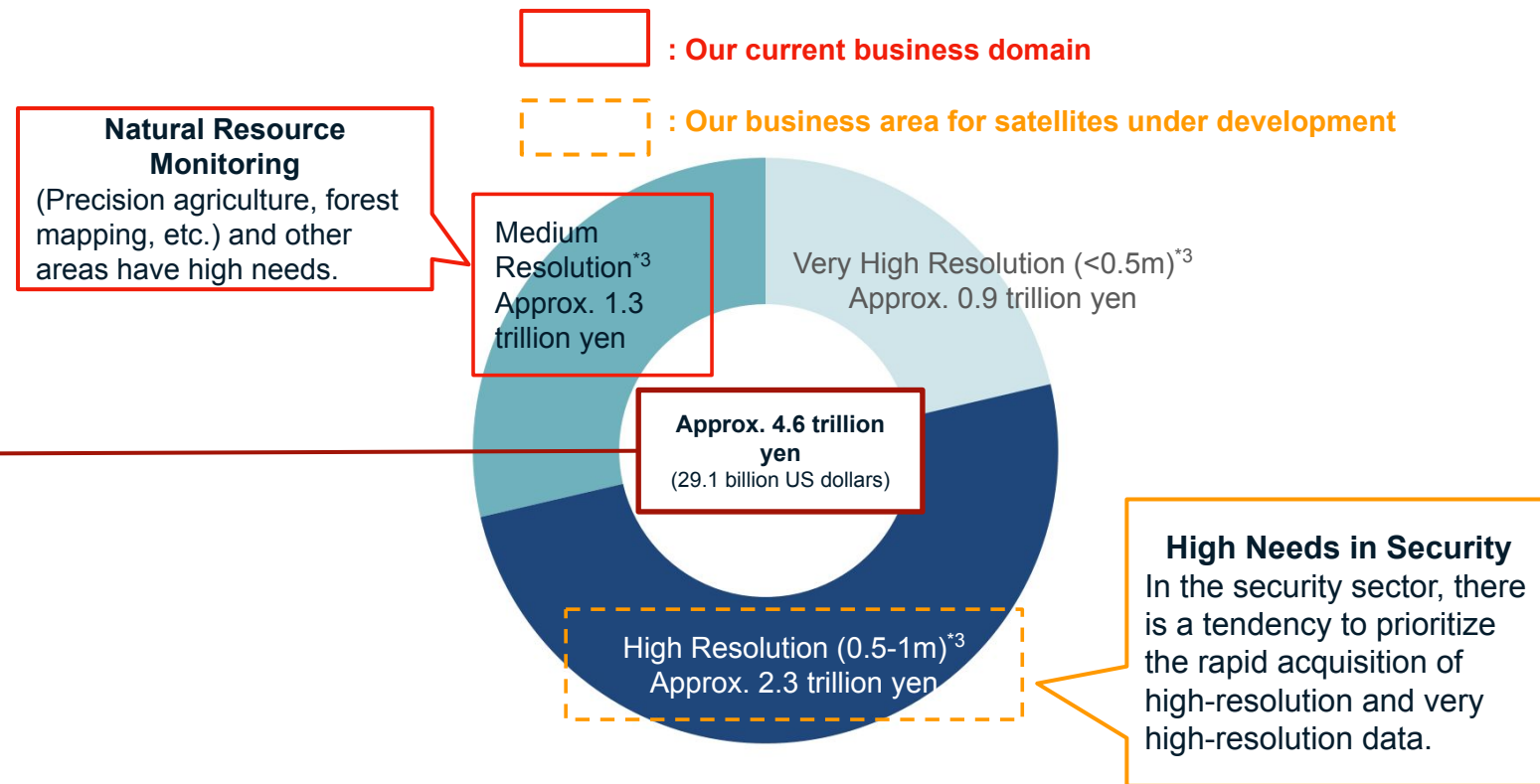
Constellation Expansion to Strengthen the Business Foundation: Market Data

Customer needs differ between medium resolution and high resolution, and the Company targets a cumulative total of approximately 3.6 trillion yen^{*1} in the medium resolution segment, which is currently our core focus, and the high resolution segment currently under development.

Market Size by Data Type ^{*1*2}



Market Size by Optical Satellite Resolution ^{*1*3} and Differences in Usage



Source: Prepared by the Company based on Novaspace, "Earth Observation Data & Services Market, 17th Edition, 2024."

^{*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 58), this slide presents the data from Novaspace's market report as is.

Strengthening Satellite Constellation: Major Projects

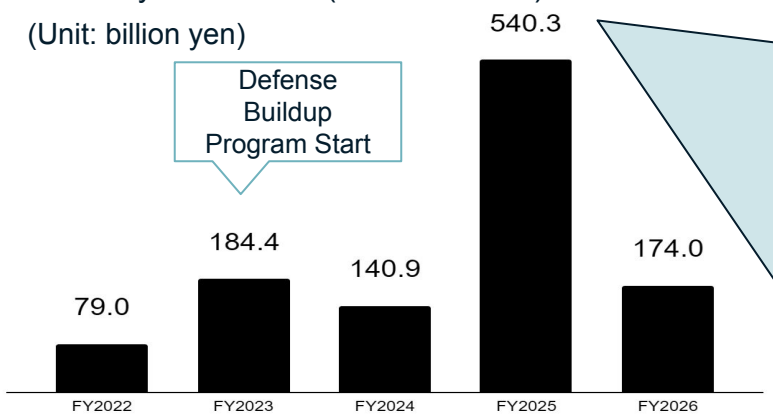
Axelspace Corporation is participating in this project as the sole provider of optical imagery. The total contract amount over the project period is 43.6 billion yen (without tax)^{*1*2}. Provision of services commenced as scheduled in April.

Space-related trends of the Ministry of Defense

- The Ministry of Defense's space-related budget has increased significantly since fiscal year 2023, when the Defense Buildup Program began.
- The Japan Air Self-Defense Force is scheduled to be reorganized into the "Japan Aerospace Self-Defense Force (tentative name)" during fiscal year 2026.

<Trends in space-related budget of the Ministry of Defense (contract basis)>

(Unit: billion yen)

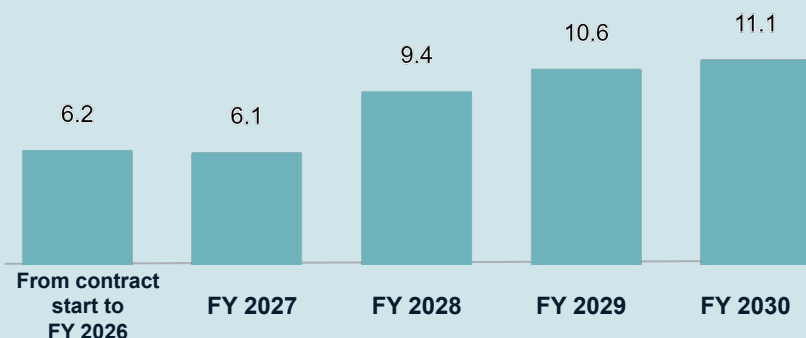


Source: Prepared by the Company based on Ministry of Defense "Strengthening Defense Capabilities in the Space Domain" (May 2026)

Project Overview



Projected revenue by fiscal year (without tax) ^{*1,2}



Contract Name	Acquisition of image data from satellite constellation
Contracting Party	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 (without tax) ^{*2}

Revenue recognition for the project

- In connection with the provision of services under this matter, the Company expects to recognize 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. an intermediary commission calculated by applying a fixed rate to its revenue.

^{*1}: 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.

^{*2}: Amounts are rounded down to the nearest hundred million yen. "Fiscal Year (FY)" indicates the fiscal year of the client.

^{*3}: This page contains forward-looking information. Please refer to page 59 for assumptions, limitations, constraints, and risks regarding forward-looking information.

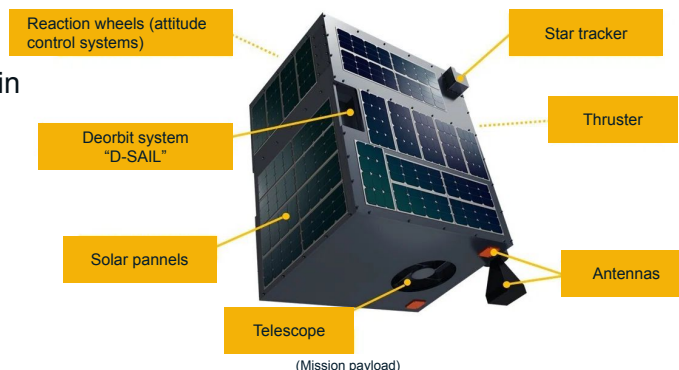
Establishing the In-orbit Demonstration Business: Domestic Market Environment

In-orbit demonstration opportunities are overwhelmingly insufficient in Japan

Current Status of In-Orbit Demonstration Opportunities in Japan

- Satellites are composed of numerous high-precision components, and the supply chain is broad
- On the other hand, **acquiring a track record in the space environment (flight heritage) is essential for the commercialization of microsatellite parts and components**, and overseas companies are leading in some key parts and core technologies.
- To expand the domestic satellite business, the shortage of domestic in-orbit demonstration opportunities has been raised as a major issue at the Japan Growth Strategy Council
- In the third phase of the Space Strategy Fund, a call for applications was issued for the technology development theme "Development and Demonstration of Low-Cost, High-Frequency In-Orbit Demonstration Technologies Using Satellites to Expand Opportunities for In-Orbit Demonstration" (total support amount: 4.8 billion yen)

<Examples of equipment used in satellites >
(In the case of GRUS-3)



Positioning and Overview of In-Orbit Demonstration in the Development Process for Space Products

General Process



Overview of In-Orbit Demonstration

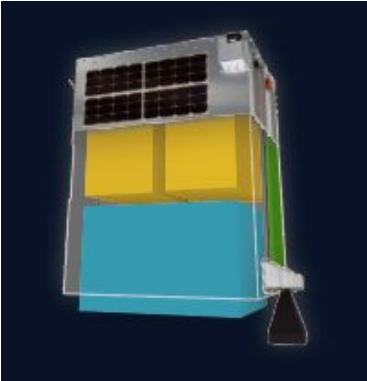
- Space components under development are mounted on satellites and verified by actual operation in orbit (space environment).
- Not merely launching, but conducting payload design, operation planning, and data acquisition to evaluate product practicality.

Establishing the In-orbit Demonstration Business: AxelLiner Laboratory Business Progress

Since the service announcement in July 2024, we have concluded 3 contracts for in-orbit demonstration.

Key Features in Axelspace's In-orbit Demonstration Service

- Selling sections for mission payloads on our proprietary versatile microsatellite bus.
- Enables ridesharing for multiple missions. Contributes to shortening the lead time from technical verification to commercialization.
- Customers can also choose to occupy an entire satellite depending on the components they wish to demonstrate.



Service Provision Image

(Providing customers with only the necessary space, as shown in the lower section)

Versatile Microsatellite Bus: Featured in NASA Report

- Listed for three consecutive editions since 2022 in the category of Hosted Orbital Service Providers, which covers companies offering end-to-end services for spacecraft capable of accommodating customer payloads, from development and launch to in-orbit operations.
- In the 2026 edition, we were the only Japanese company listed as a provider of spacecraft bus systems designed to be launched as secondary payloads on rockets.

Source: NASA "State-of-the-Art of Small Spacecraft Technology" (March 2026)

<Projects Concluded and Scheduled for Demonstration>

Customer Name		Demonstration Period	Demonstration Content
Private company	Shinano Kenshi Co., Ltd.	2026	Reaction wheel
Private company	Pale Blue Inc.	2027	Fast-Start Hall Thruster "PBH-100"
Government agency	JAXA	TBD (Project duration is approximately 4 years starting from FY2026)	Basic research on high-maneuverability electric propulsion for spacecraft

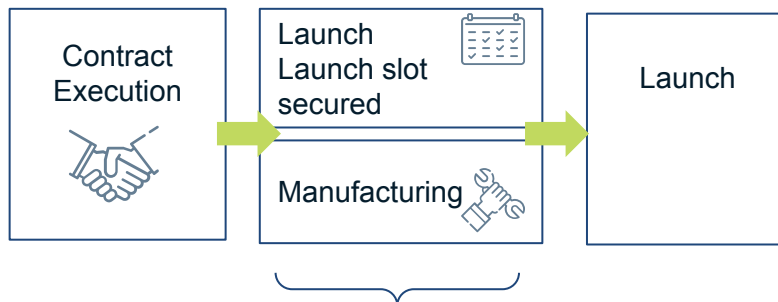
Establishing the In-orbit Demonstration Business "AxelLiner Laboratory"

Establish a system capable of realizing four regular launches per year by FY Ending May 2030. To enable service provision at a more appropriate timing and lower price through ridesharing, rather than satellite development per customer order, our company will proactively secure regular demonstration opportunities in advance.

Current

- Orders are received and manufacturing begins for each project. Revenue is recognized using the percentage-of-completion method. Revenue volatility occurs due to dependence on project progress.
- Since launch slots are arranged after receiving an order, there have been cases where opportunities could not be captured because the lead time until demonstration did not align with the demonstration needs.

<Current Flow from Order to Launch for AL Lab>

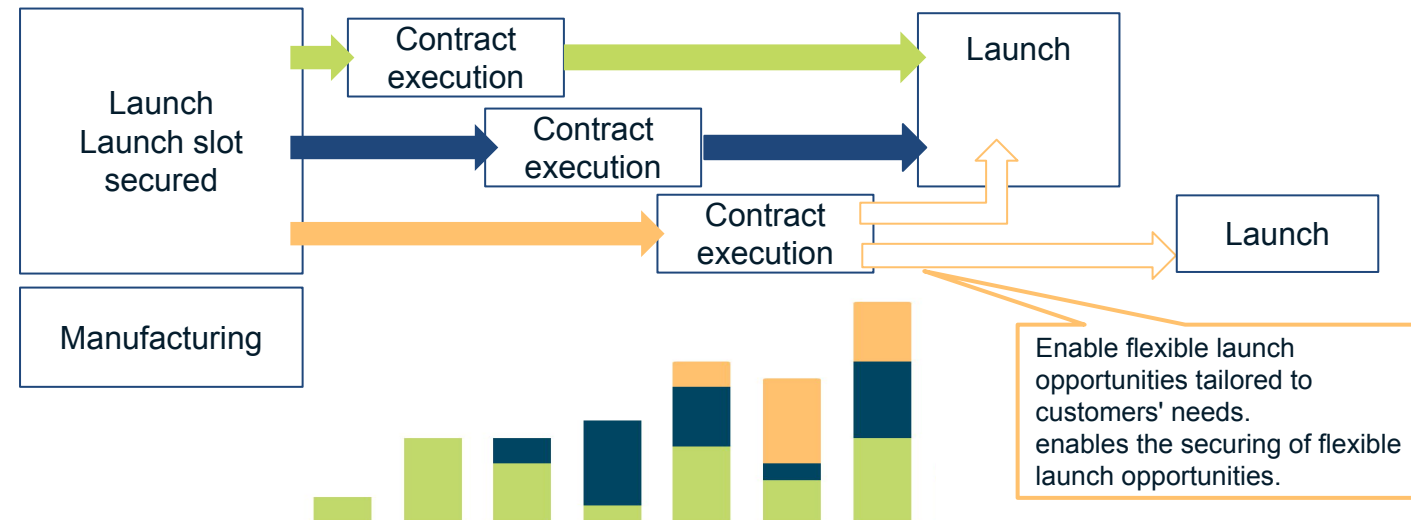


If launch slots are congested, there is a possibility that it will take time to secure a slot.

Revenue Profile with Regular Launches

- Arrange launch slots before receiving orders and begin manufacturing the satellite bus.
- Enable the proposal of timely launch opportunities to customers who wish to conduct in-orbit demonstrations.
- At the same time, flexibly adjust ridesharing opportunities.
- By adopting a business model in which revenue becomes more predictable based on the utilization rate of secured launch slots, we aim to build a more stable revenue base.

<Image of the Flow and Revenue When Regular Launches Are Realized>

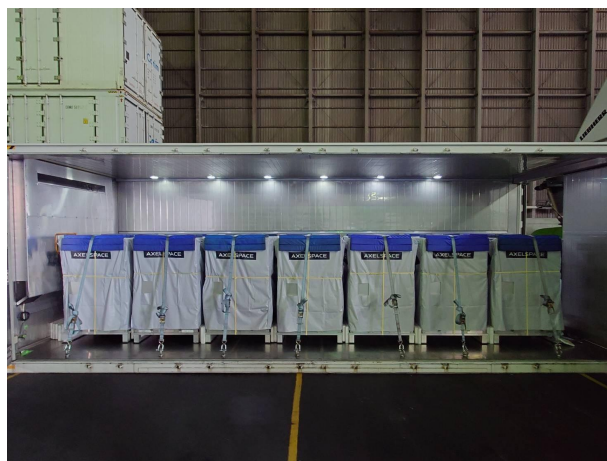


Expanding Production Capacity and Realizing Mass-Production Benefits

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
(Photo courtesy of Carim Engineering Corporation)

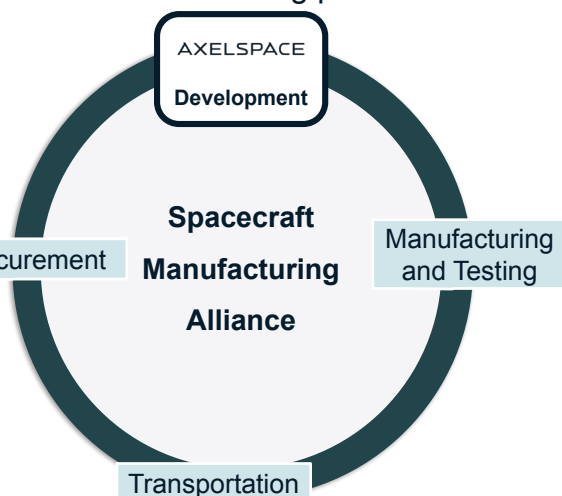
Improvement of Production Efficiency: Further Improvement of Versatile Satellite Bus System

- 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.



Research and Development for Improving Satellite Performance: K Program

By utilizing optical communication technology through the "K Program" in which we participate, we aim to realize satellite constellation operations that do not cause data transmission time lag.

Domestic Trends in Inter-Satellite Optical Communications

- In the "Information and Communications" field, one of the 17 strategic fields of the Japan Growth Strategy Council, and specifically in (3) Next-Generation Wireless, the goal is to pioneer and capture the market for non-terrestrial networks, including satellite communications.
- Non-Terrestrial Network (NTN) refers to communication networks that use space and the upper atmosphere, such as satellite communications.

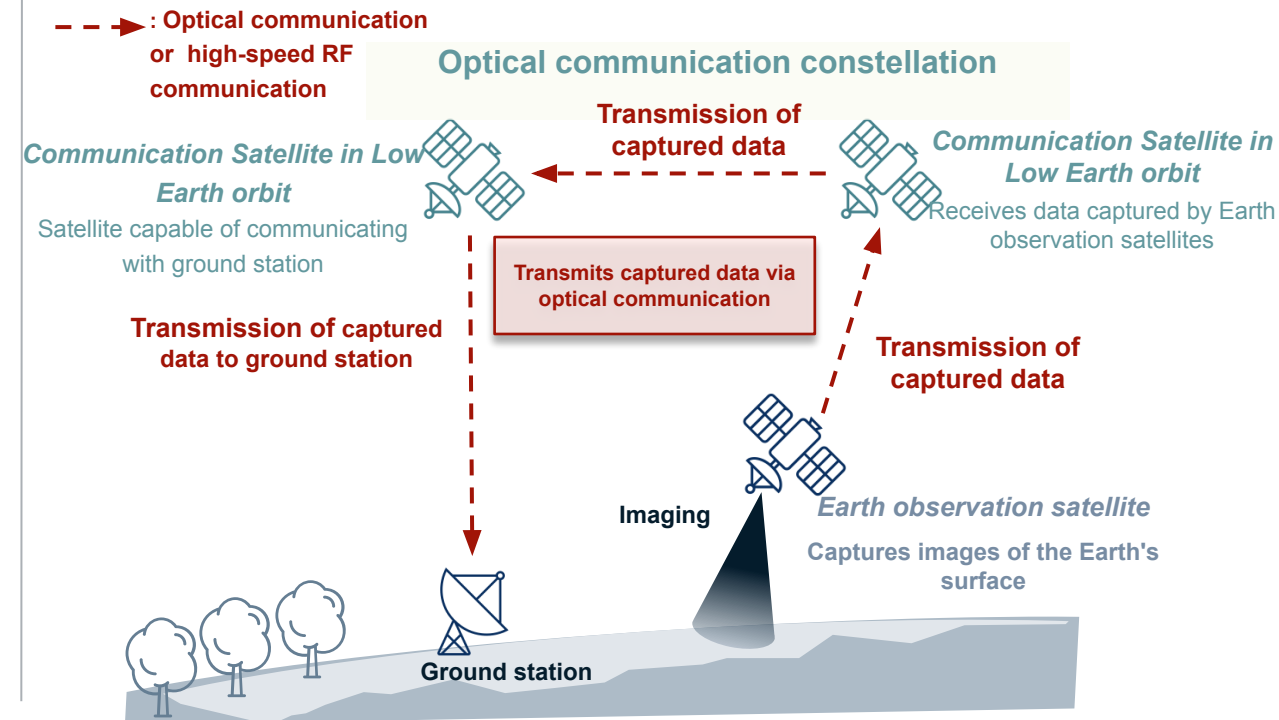
<What is Inter-Satellite Optical Communication>

- Normally, radio waves (RF) are used for communication between satellites or between satellites and ground stations, but satellite optical communication uses laser beams for data transmission.
- Because laser beams must be accurately transmitted and received between satellites moving at high speeds hundreds to thousands of kilometers apart, high-precision attitude control and tracking/pointing control technologies are required.
- Compared to radio wave communication, it enables large-capacity, high-speed communication, and because the emitted beam is extremely narrow, it also excels in confidentiality and interference resistance.
- Due to these factors, it is expected to be a core technology of the next generation.

Mechanism of Earth Observation Aiming Through the K Program

Objective

Coordinate operation between satellites using edge computing technology*1 and optical communication (optical communication constellation) to realize near-real-time Earth observation

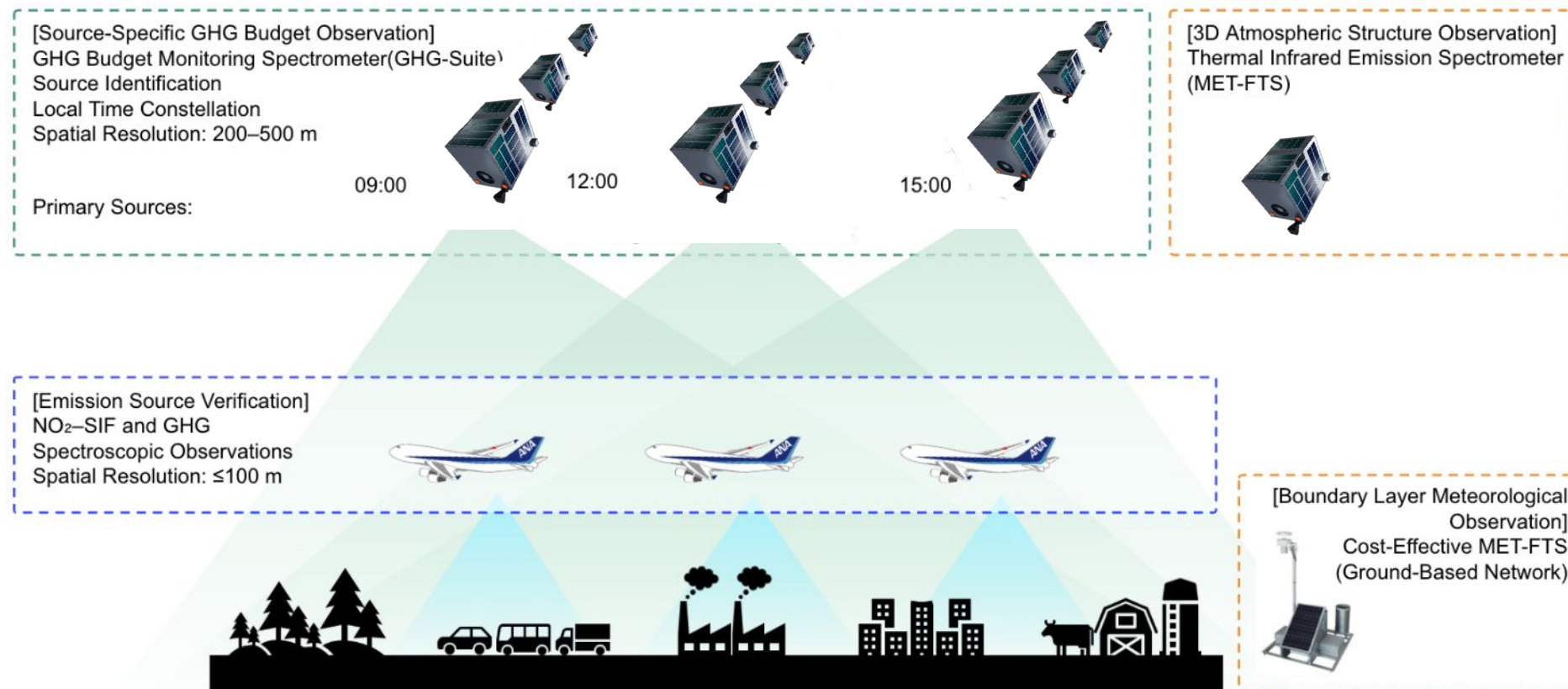


*1: Refers to technology that processes data in space and transmits compressed data to the ground.

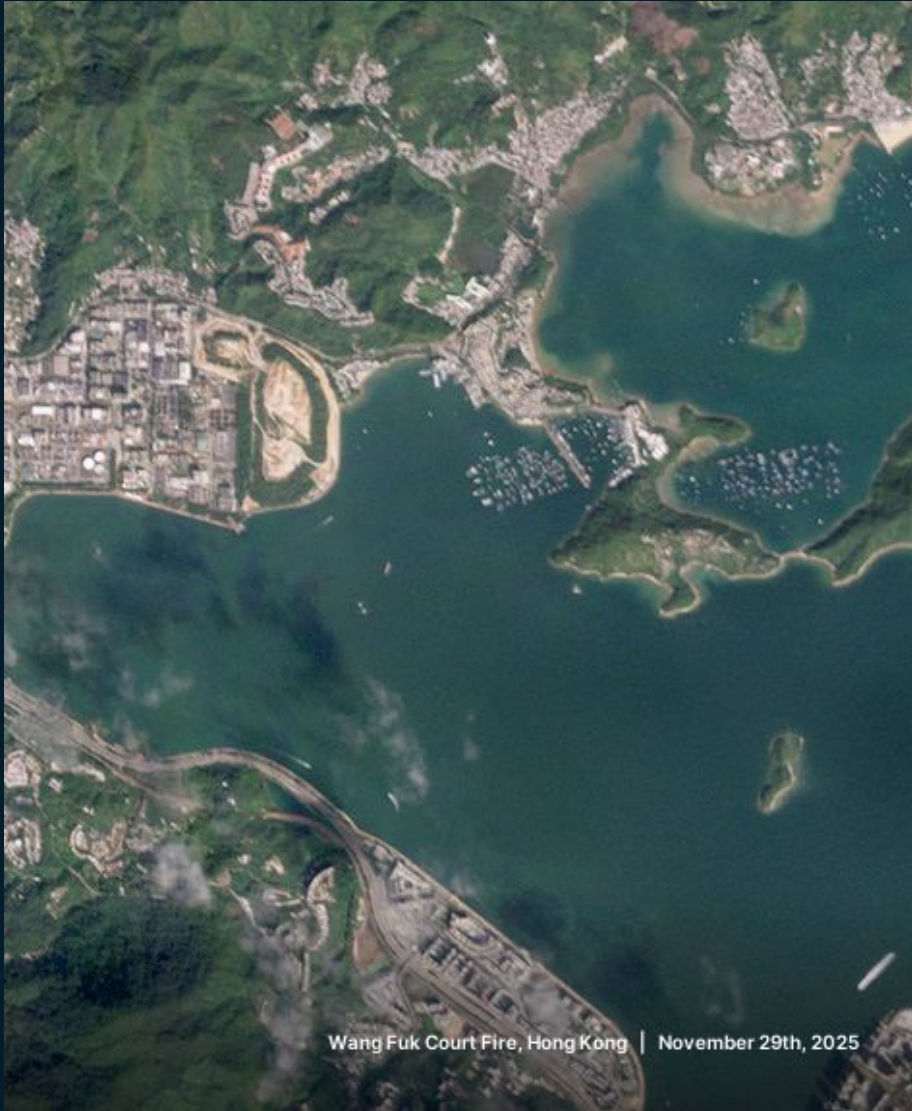
Research and Development for Improving Satellite Performance: Advanced Observation Capabilities

Selected for the technology development theme "Technology to Enhance Capability of Next Generation Earth Observation Satellites"
In collaboration with partner organizations and supporting companies, we aim to address climate change challenges and develop solutions for new markets through source-specific CO₂ emission and uptake monitoring using satellite constellations and aircraft.

<Conceptual diagram of technology development>



*1: For project details, please refer to the "Announcement of Selection for Phase II of the Japan's Space Strategy Fund "Technology to Enhance Capability of Next Generation Earth Observation Satellites"" released on March 27, 2026.



Financial Forecast for the FY Ending May 2027

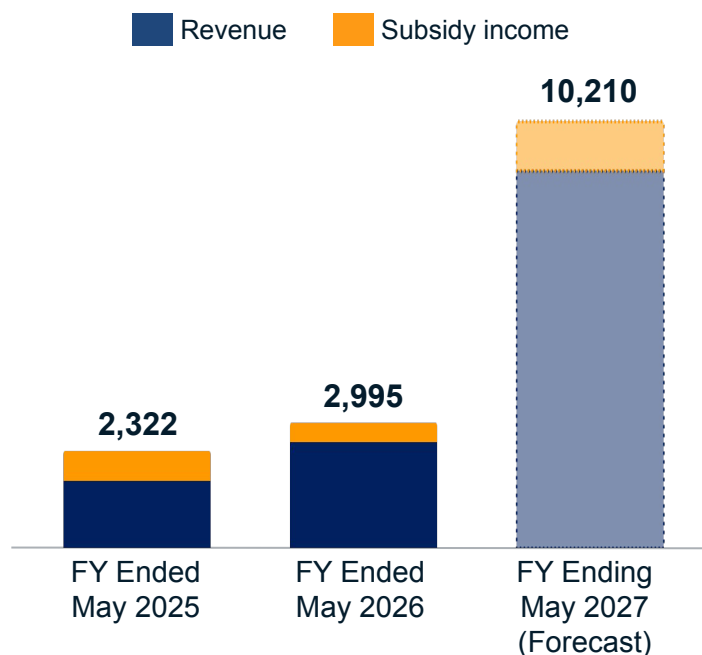
Exchange rate assumptions for financial forecast:
1 USD = 160 yen, 1 EUR = 190 yen.

FY Ending May 2027 Financial Forecast (Consolidated)

We plan to increase revenue and improve profitability through the steady execution of government projects and the start of commercial operations for seven "GRUS-3" satellites.

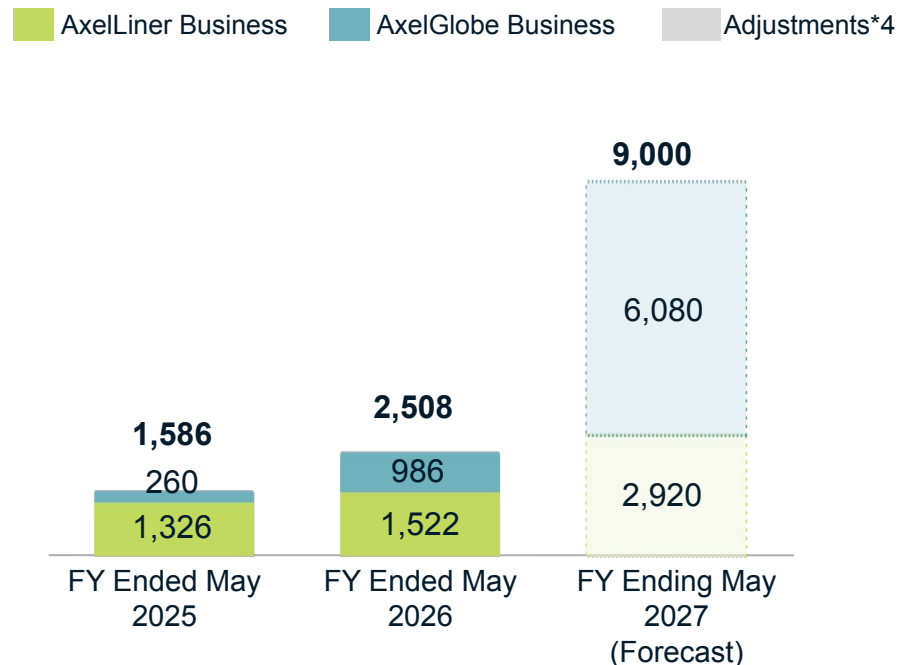
Revenue and Total Revenue ^{*1}

(Unit: million yen)



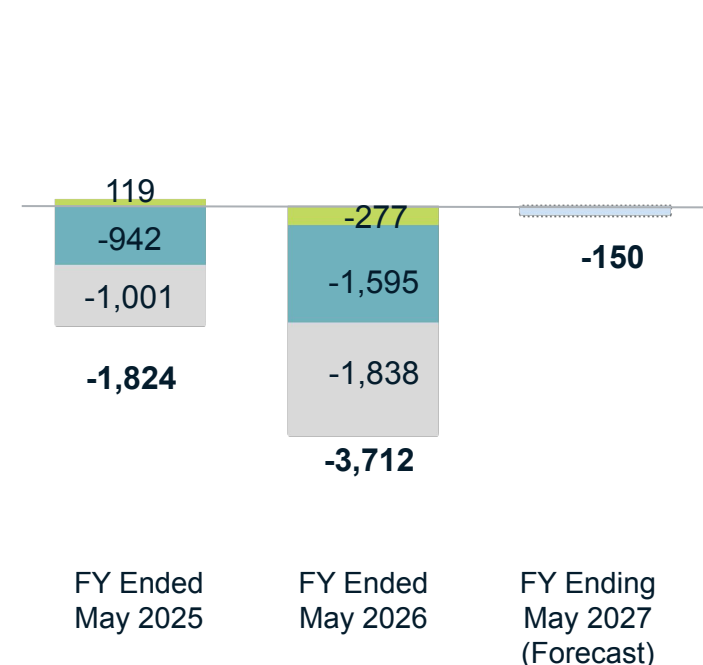
Revenue by Segment

(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 or loss is based on ordinary profit or 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 2025 has also been prepared 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).

FY Ending May 2027 Financial Forecast (Consolidated)

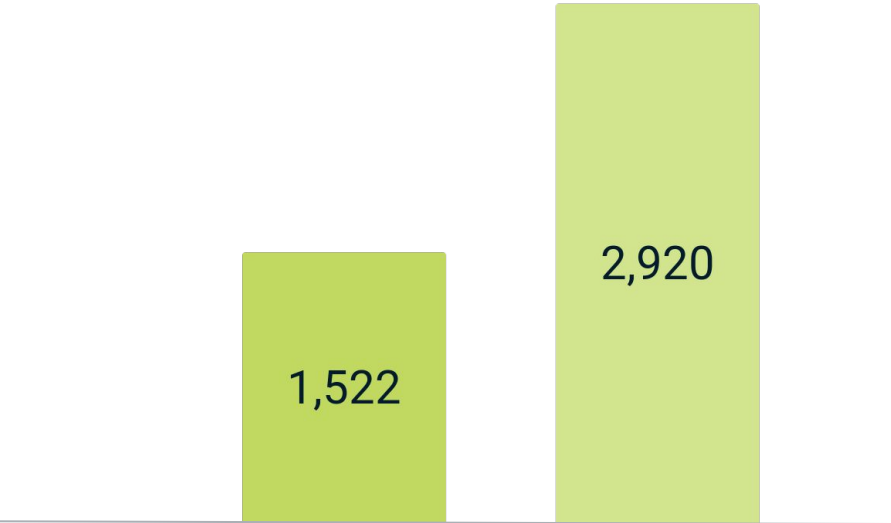
(Unit: million yen)	FY Ended May 2025 (Actual)	FY Ended May 2026 (Actual)	FY Ending May 2027 (Forecast)	Comparison with FY Ended May 2026 Actual
Revenue	1,586	2,508	9,000	+258.8 %
Operating profit (loss)	-2,495	-3,822	-800	-
Ordinary profit (loss)	-1,824	-3,712	-150	-
Net profit (loss) attributable to owners of parent	-1,950	-4,057	-240	-

Total revenue (non-GAAP)*1	2,322	2,995	10,210	+240.8 %
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*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.

Financial Forecast by Segment: AxelLiner Business

For FY Ending May 2027, “K Program” and AxelLiner Laboratory projects will advance.



Item	(Unit: million yen)	FY Ended May 2026 (Actual)	FY Ending May 2027 (Forecast)	Year-on-year change
Revenue		1,522	2,920	+91.9%
Segment profit (loss)*1		-277	-770	-

[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 Pale Blue Inc. and JAXA.

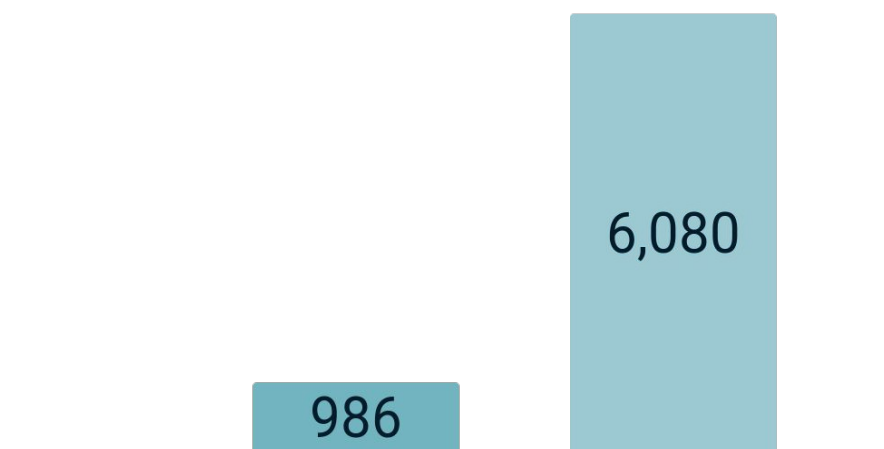
Segment profit (loss) *1

- 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."

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

Financial Forecast by Segment: AxelGlobe Business

For the fiscal year ending May 2027, we plan to steadily advance government projects and commence commercial operations of the seven GRUS-3 microsatellites.



[Main Assumptions for Financial Forecast]

Revenue

- Satellite Constellation Project contributes to revenue for the full year
- With the start of commercial operations for seven "GRUS-3" satellites, we will conduct sales activities targeting both new and existing customers, including those who have signed Letters of Intent (LOI) for the purchase of images and services.

Segment Profit ^{*1}

- Increase in profit due to the growth in revenue from the Satellite Constellation Project
- Absorb the burden of R&D expenses (for three high-resolution satellites scheduled for launch in the fiscal year ending May 2028 and two high-resolution satellites scheduled for launch in the fiscal year ending May 2029) through an increase in gross profit resulting from higher revenue and subsidy income

(Unit: million yen)	FY Ended May 2026 (Actual)	FY Ending May 2027 (Forecast)	Year-on-year change
Revenue	986	6,080	+516.9%
Segment profit (loss) ^{*1}	-1,595	3,400	-

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

Growth of the AxelGlobe Business: Expansion of the Satellite Constellation



GRUS-3

July 7, 2026
Successful Launch of Seven Satellites

Milestones until the start of operations

July 8
First voice reception

July 10
Critical operations completed

First light released

In 2026
Aiming to start commercial operations by the end of 2026

Launch

Critical operations
Confirming on-orbit health, including power generation, establishment of communication, and attitude control

Initial Operations
Preparations for stable imaging, including orbit control, functional verification, and integrated system testing.
Preparation for stable imaging

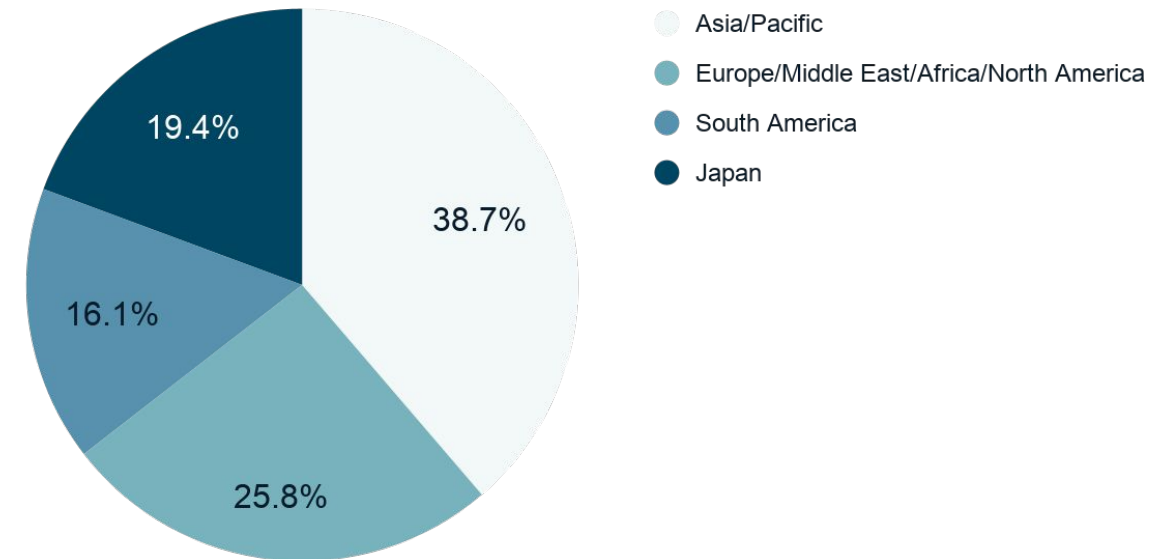
Commercial Operations

Conducting sales activities focusing on companies that have submitted an LOI

We have signed Letters of Intent (LOI) for the purchase of GRUS-3 images and services with **over 30 companies**, including those in Japan and overseas.

Interest is being shown in applications for agriculture and environment-related fields, in addition to infrastructure and mapping.

(As of the end of June 2026; the graph shows a comparison of the number of companies that have signed an LOI by location)



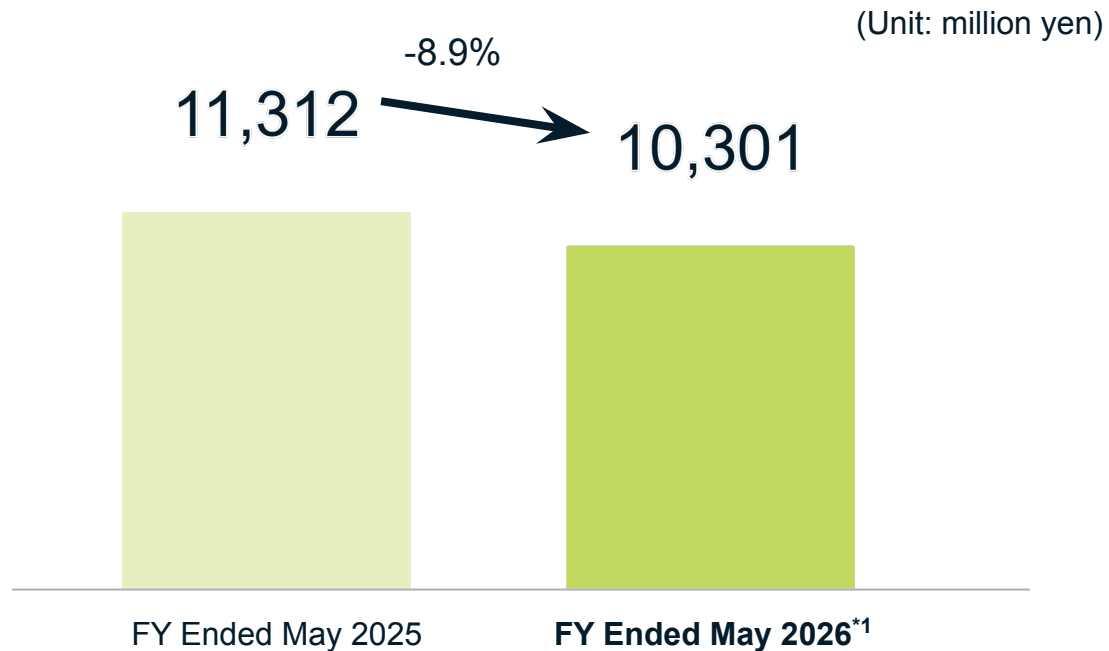
LOI: Letter of Intent

A letter of intent expressing interest in purchasing images and services once GRUS-3 becomes commercially available.

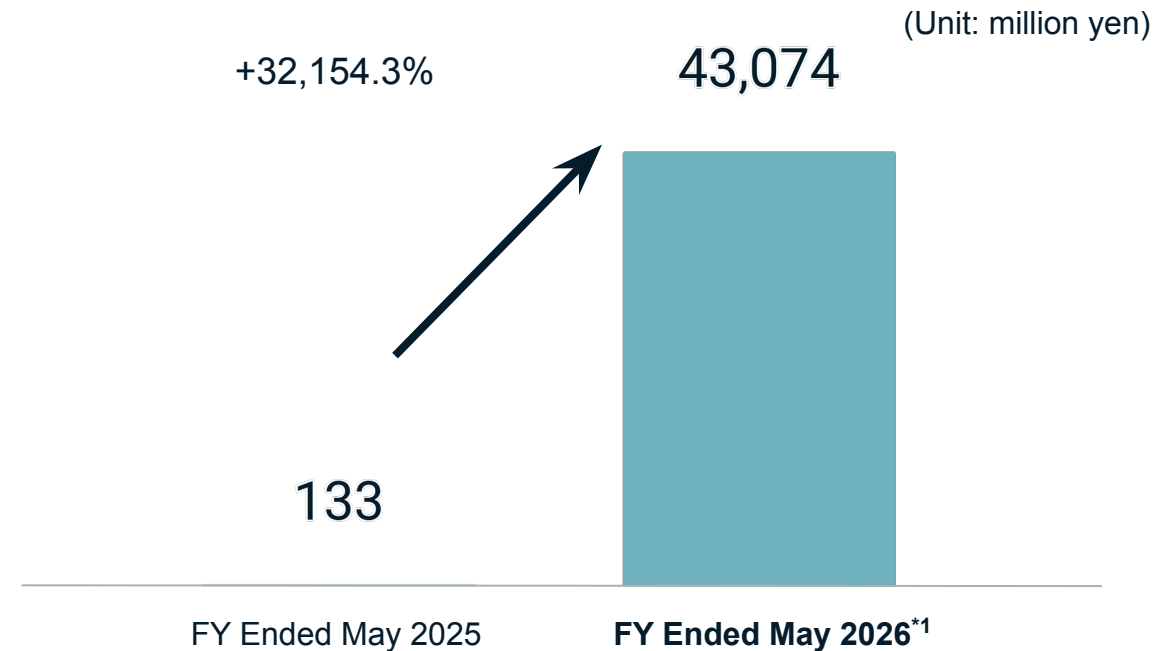
Order Backlog Trends by Segment ^{*1}

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

AxelLiner Business



AxelGlobe Business



^{*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 the fiscal year ended May 2026 is not included.

Note: This page contains forward-looking information. Please refer to page 59 for assumptions, limitations, constraints, and risks regarding forward-looking information.

AxelLiner Business Pipeline

With the contribution of AL Lab, the order backlog for the AxelLiner Business is 10,301 million yen (as of the end of FY Ended May 2026), maintaining a scale of 10 billion yen.

Business	Customer		Project*1*2*3	Project Expected 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)*4	Through fiscal year ending May 2032
AxelLiner Business	Government agency	New Energy and Industrial Technology Development Organization (NEDO)	Development and Demonstration of General-Purpose CubeSat and Microsatellite Buses*5	Through fiscal year ending May 2027
AxelLiner Business (AL Lab)	Private company	Pale Blue Inc.	In-orbit demonstration services for Hall thrusters *6	Multiple years from December 16, 2025

New projects acquired in FY Ended May 2026 (awarded / pre-contract projects)*7

Business	Customer		Project*1*2*3	Project Expected Period *1*2*3
AxelLiner Business	Government agency	JAXA (Space Strategy Fund)	Technology to Enhance Capability of Next Generation Earth Observation Satellites *8	Up to approximately 6 years from fiscal year ending May 2027
AxelLiner Business (AL Lab)	Government agency	JAXA	Basic research and in-orbit experiments on high-mobility electric propulsion for spacecraft*9	Approximately 4 years from fiscal 2026

*1: For contracted projects, revenue may not be recorded at the anticipated time due to circumstances such as project failure or cancellation. In addition, projects are normally renewed on an annual basis (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. This page also contains forward-looking information. Please refer to page 59 for assumptions, limitations, constraints, and risks regarding forward-looking information.

*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. This page also contains forward-looking information. Please refer to page 59 for assumptions, limitations, constraints, and risks regarding forward-looking information.

*3: For contracted projects, revenue may not be recorded at the anticipated time due to circumstances such as stage-gate review (interim evaluation), project failure, or cancellation. In addition, this is a project with annual contract renewals, and if the program itself is canceled, the contract may not be renewed.

*4: Please refer to page 24 for the project overview, and pages 35-36 for project details and project image.

*5: Please refer to page 35 and the ["Notice of Recording of Non-operating Income \(Subsidy Income\)"](#) published on November 7, 2025. This project was implemented by the Ministry of Economy, Trade and Industry in FY2021-2022, and was transferred to NEDO from FY2023-2026. The subsidy ceiling is notified annually, and disbursement has been decided up to NEDO's fiscal year 2026. Income from this project is recorded as non-operating income (income from subsidies).

*6: Please refer to page 37 and the ["Notice of Contract Execution for Provision of In-orbit Demonstration Services with Pale Blue Inc."](#) published on December 16, 2025.

*7: The projects in this item are not included in the order backlog as of the end of FY Ended May 2026.

*8: Please refer to page 25 and the ["Announcement of Selection for Phase II of the Japan's "Strategy Fund "Technology to Enhance Capability of Next Generation Earth Observation Satellites" "](#) published on March 27, 2026.

*9: Please refer to the ["\(Disclosure of Progress\) Conclusion of Service Agreement with JAXA for the Provision of AxelLiner Laboratory"](#) published on June 30, 2026.

AxelLiner Business Progress: 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 inter-satellite optical communication network systems
Project Budget	Maximum 60 billion yen*1
Implementing Organizations	Axelspace Corporation , Space Compass Corporation, NICT, NEC Corporation
Objective	- Establish satellite optical communication network technology for building global space communication infrastructure ahead of the world. - Gain technological superiority in the global market and take a leading position in rule-making, etc.
Axelspace'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. (See page 24 for project overview and page 36 for project image)
- Accounts for 51.9 % of consolidated revenue for FY Ended May 2026
- Revenue is recorded using the percentage-of-completion method (see page 48 for recording image)

[Order Backlog] (As of the end of FY 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

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

Project Overview	Demonstration of One-Stop Service of Small Satellite Constellation
Project Budget	Maximum 5.28 billion yen*1
Implementing Organizations	Axelspace Corporation , Synspec Inc.
Objective	Securing domestic capability to build microsatellite constellations.
Axelspace's Role	Versatile 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.
- In Q2 of FY Ended May 2026, upon completion of FY 2024 inspection, 487 million yen was recorded as subsidy income in non-operating income.

[Order Backlog] (As of the end of FY Ended May 2026) 1,296 million yen

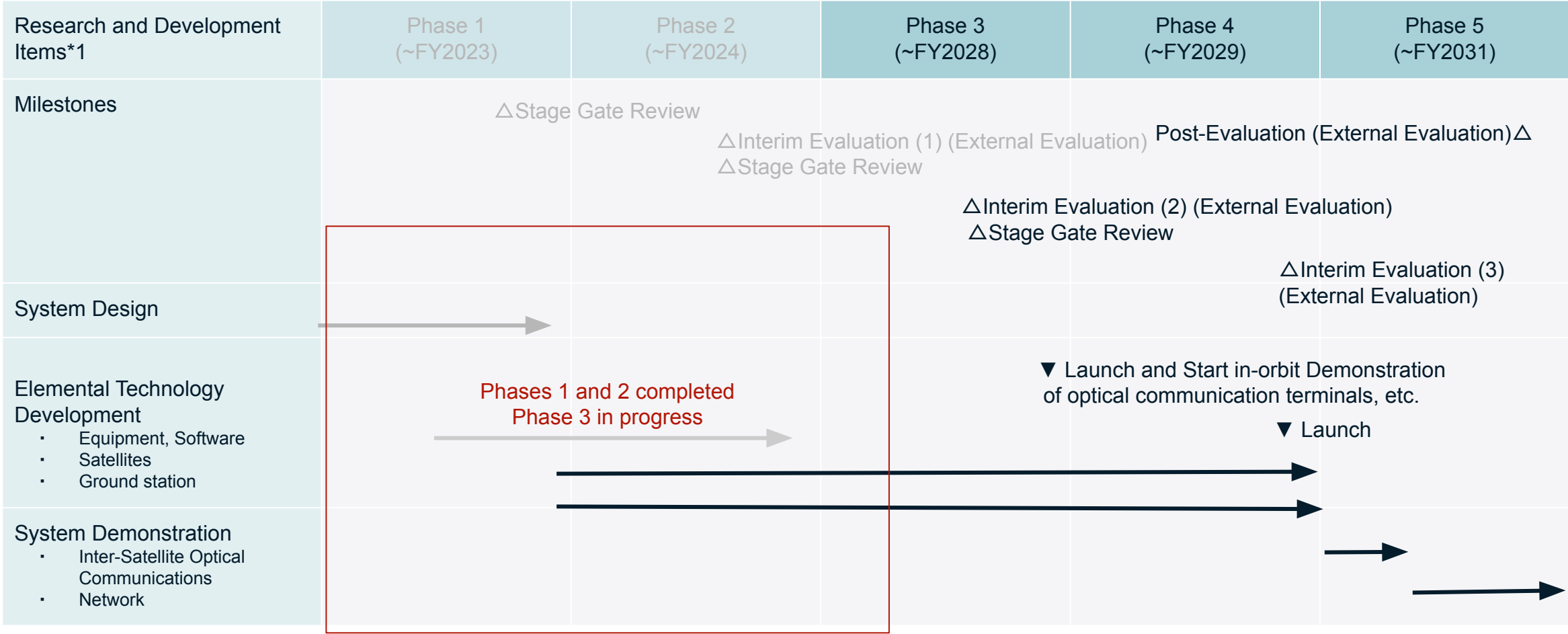
- This project has been approved through FY2026 under a system in which the annual subsidy cap is announced each year.
- Subsidies from this project is recorded as non-operating income (subsidy income). The amount is calculated at a subsidy rate of two-thirds of the eligible expenses for this project.

*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 59 for assumptions, limitations, constraints, and risks regarding forward-looking information.

Progress of “K Program”

Currently in the Phase 3 of research and development.
 Development of elemental technologies such as satellites and ground stations is progressing toward in-orbit demonstration.



*1: The fiscal years shown in this section refer to NEDO's fiscal year (April 1 to March 31 of the following year).
 Source: Prepared by the Company based on the Cabinet Office and Ministry of Economy, Trade and Industry's "Research and Development Concept (Project Type) for Development and Demonstration of Satellite Constellation Infrastructure Technologies such as Optical Communications" (October 2022 (revised April 2025))

Progress of "AxelLiner Laboratory" (AL Lab)

New contract secured for in-orbit demonstration service "AL Lab" aimed at promoting space utilization including private enterprises.

Entered into a Service Provision Contract with Pale Blue Inc., a Component Manufacturer for Microsatellites

Overview of This Project *1

Customer	Pale Blue, Inc. (Development, manufacturing, and sales of thrusters (engines) for microsatellites)
Demonstration Target	Fast-Start Hall Thruster "PBH-100" • A thruster for 50-200kg class satellites that achieves both high thrust and high specific impulse. • Features significantly shortened startup time compared to conventional small satellite hall thrusters, maximizing the operating time of satellite mission equipment.
Demonstration Period	2027
Contribution of Axelspace	In addition to providing demonstration opportunities through AL Lab, Axelspace will support this demonstration by leveraging knowledge gained from its position as a user of satellite components.



Jun Asakawa (left), Representative Director of Pale Blue, and Yuya Nakamura, President and CEO of the Company

*1: For project details, please refer to "[Notice of Signing a Service Contract for In-Orbit Demonstration with Pale Blue Inc.](#)," released on December 16, 2025.

AxelGlobe Business Pipeline

With the contribution of the Satellite Constellation Project, the order backlog for the AxelGlobe Business has increased significantly to 43,074 million yen (as of the end of FY Ended May 2026).

Business	Customer		Major Projects*1*2*3	Project Expected Period *1*2*3
AxelGlobe Business	Government agency	Ministry of Defense	Satellite Constellation Project *4	Through fiscal year 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	Through fiscal year ending May 2027

New Projects Acquired in FY Ended May 2026 (Awarded/Pre-Contract Projects)*5

Business	Customer		Project*1*2*3	Project Expected Period *1*2*3
AxelGlobe Business	Government agency	JAXA (Space Strategy Fund)	Implementation of Satellite Data Utilization System: (B) Establishing Foundations for Overseas Deploymen	Up to 5 years
AxelGlobe Business	Government 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	Scheduled through the end of September 2030

*1: For contracted projects, revenue may not be recorded at the anticipated time due to circumstances such as project failure or cancellation. In addition, projects are normally renewed on an annual basis (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. This page also contains forward-looking information. Please refer to page 59 for assumptions, limitations, constraints, and risks regarding forward-looking information.

*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. This page also contains forward-looking information. Please refer to page 59 for assumptions, limitations, constraints, and risks regarding forward-looking information.

*3: For contracted projects, revenue may not be recorded at the anticipated time due to circumstances such as stage-gate review (interim evaluation), project failure, or cancellation. In addition, this is a project with annual contract renewals, and if the program itself is canceled, the contract may not be renewed.

*4: For the project overview, please refer to page 19 and the "[\(Update on a Previously Disclosure\) Notice Concerning the Award of a Contract for the Ministry of Defense's "Satellite Constellation Project"](#)" published on February 20, 2026.

*5: The project under this item is not included in the order backlog as of the end of FY Ended May 2026.

Projects We Aim to Acquire Going Forward

As projects to be pursued, there are projects that will significantly contribute to our growth

Business	Customer		Project*1*2*3	Project Expected Period *1*2*3
AxelLiner Business (AL Lab)	Private companies	Selected companies	Space Strategy Fund 1st phase "Development/verification of parts/components for establishing satellites supply chain." *2	Up to 6 years
AxelLiner Business (AL Lab)	Government agencies	JAXA	JAXA Space Technologies rapid Evaluation Program on Small satellite (JAXA-STEPS)*3	Before announcement
AxelLiner Business	Government agencies	JAXA	Space Strategy Fund 2nd phase Technology Development Theme*4	Varies by theme
AxelLiner Business	Government agencies	JAXA	Space Strategy Fund 3rd phase Technology Development Theme*5	Varies by theme

*1: 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. This page also contains forward-looking information. Please refer to page 59 for assumptions, limitations, constraints, and risks regarding forward-looking information.

*2: This theme is not one for which the Company itself is selected, but is recognized as a project that the Company aims to secure from the perspective that the demonstration needs of selected companies can become customer targets for AL Lab. Although discussions regarding in-orbit demonstration support have already begun with multiple customer targets, at this point these are verbal discussions in the initial stage and contracts have not been concluded, and there is no guarantee that orders will actually be received. Even if a contract can be concluded, the timing in the table is calculated based on the Company's current project plan, so revenue may not be recorded at the timing the Company anticipates.

*3: As of the publication date of this material, since the planned procurement of hosted payload services has been announced to provide demonstration opportunities for research and development/demonstration targets in this program, this is listed as a project that the Company, which has a track record in microsatellite development in Japan, can sufficiently pursue. At this point, a request for information has been made for this project, and there is no guarantee that an order will actually be received.

*4: This theme is not one for which the Company itself is selected, but is recognized as a project that the Company aims to secure from the perspective that the technology development needs of selected companies can become customer targets for the AxelLiner business. Although discussions have already begun with multiple customer targets, at this point these are verbal discussions in the initial stage and contracts have not been concluded, and there is no guarantee that orders will actually be received. Even if a contract can be concluded, the timing in the table is calculated based on the Company's current project plan, so revenue may not be recorded at the timing the Company anticipates.

*5: Details of this project are not disclosed. At this point, the project is either in the process of public solicitation or in the pre-solicitation phase, and there is no guarantee that an order will actually be received. Even if a contract can be concluded, the timing in the table is calculated based on the Company's current project plan, so revenue may not be recorded at the timing the Company anticipates. Details regarding application status and examination content for individual public offering projects (including the Space Strategy Fund) are not disclosed at this time.

*6: This project is recognized as one that the Company aims to secure, looking ahead to the start of commercial operations for GRUS-3, from the perspective that the imaging needs of companies that have signed an LOI, as shown on page 32 of this material, can become customer targets for the AxelGlobe business. Although discussions regarding the provision of images and services have already begun with multiple customer targets, at this point these are verbal discussions in the initial stage and contracts have not been concluded, and there is no guarantee that orders will actually be received. Even if a contract can be concluded, the timing in the table is calculated based on the Company's current project plan, so revenue may not be recorded at the timing the Company anticipates.

Source: JAXA website "JAXA Space Strategy Fund", "JAXA Space Technologies rapid Evaluation Program on Small satellite"

Future Satellite Development Plans and Secured Launch Slots

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

	2023	2024	2025	2026	2027	2028	2029
	FY Ended May 2024	FY Ended May 2025	FY Ended May 2026	FY Ending May 2027	FY Ending May 2028	FY Ending May 2029	
AxelLiner Business KPI: Number of Launches as Demo-Satellites (Cumulative 6 satellites from FY ended May 2025 to FY ending May 2028)							
Government agency projects					<u>2 satellites</u> K Program		
					<u>1 satellite</u> JAXA-STEPS*2 (AL Lab)		
Private enterprise projects	 <u>1 satellite</u> March 2024: "PYXIS" (in-house demonstration)				<u>1 satellite</u> In-Orbit Demonstration (AL Lab)	<u>2 satellites</u> In-Orbit Demonstration (AL Lab)	
AxelGlobe Business KPI: Number of Operating Satellites in Constellation (14 satellites as of FY ending May 2028)							
Medium resolution	 <u>5 satellites</u> "GRUS-1A to E"	<u>5 satellites</u>	 <u>5 satellites</u> Launch of 1 satellite*3 "GRUS-3α"	 <u>12 satellites</u> Launch of 7 satellites*4 "GRUS-3"	<u>11 satellites</u> *5	<u>11 satellites</u>	
High resolution					<u>3 satellites</u> Launch of 3 satellites	<u>5 satellites</u> Launch of 2 satellites	

*1: 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, projects 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 59 for assumptions, limitations, constraints, and risks regarding forward-looking information.

*2: As of the publication date of this material, the planned procurement of hosted payload services has been announced for providing demonstration opportunities for research and development/demonstration targets in this program. Accordingly, this project is included in this material as one that Axelspace is well positioned to pursue, based on its proven track record in microsatellite development in Japan. At present, a request for information has been issued for this project, and there is no guarantee that an order will actually be received. This project is expected to launch in fiscal year 2028 or later according to the implementing agency's fiscal year.

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

*4: After the launch on July 7, 2026, as it is in initial operation at the time of this material's announcement, it is not currently included in the number of satellites in constellation operation. We plan to include it in the constellation count after commercial operation begins.

*5: In consideration of the service life of GRUS-1, some units are expected to complete their operation as part of the constellation.

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.

Main Assumptions for Segment Performance 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.
- 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 number of 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.

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,



We recommend our articles on note.

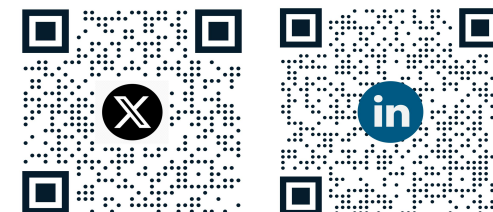
<https://note.com/axelspace/n/n9ed29a85e561?hl=en>

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>



Appendix

Company Overview

Company Name	Axelspace Holdings Corporation
Location	3-3-3 Nihonbashi Honcho, Chuo-ku, Tokyo
Establishment	Established in March 2020 *Predecessor company, Axelspace Corporation, was established on August 8, 2008
Capital	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 • Director, Makiko Hamada • Outside Director Tomihisa Kamada • Outside Director, Chiaki Mukai • Outside Director, Masanori Sugiyama



History

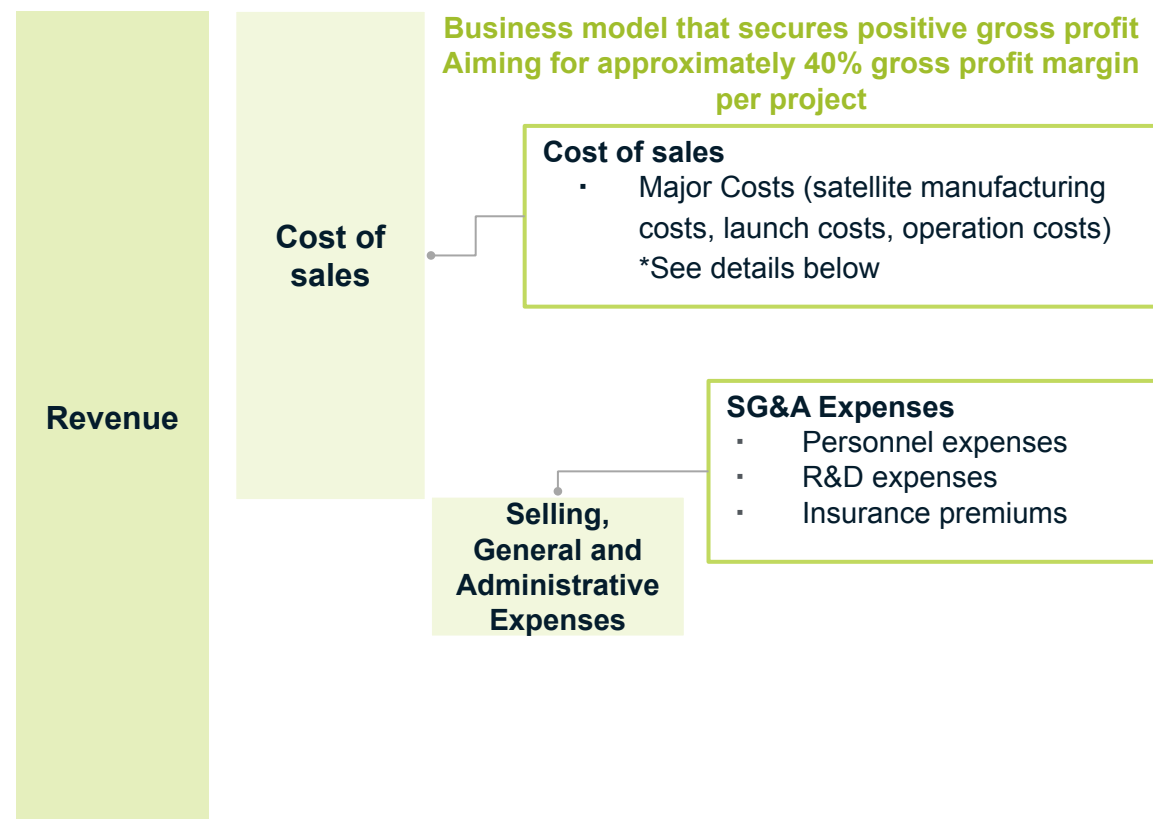
As the first Japanese startup to receive a contract from JAXA for satellite development, the Company has a track record of designing, manufacturing, and operating 18 microsattellites since its founding. Steadily expanding business in line with technology accumulation and changes in social needs.



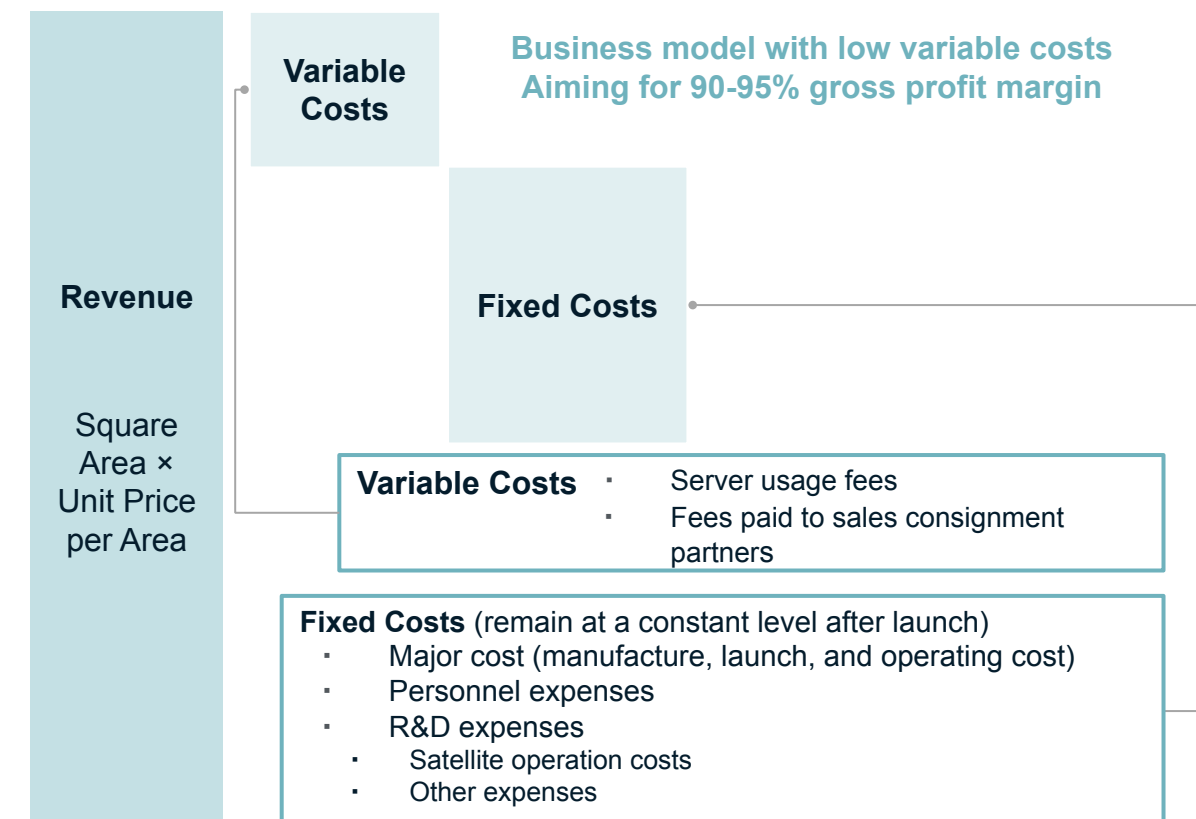
Illustrative Long Term Cost Structure *1

This is an image and is subject to change

AxelLiner Business



AxelGlobe Business



Reference: Current cost per satellite
Manufacturing Cost (approximate) *2

Satellite Manufacturing
Cost *2
350 million yen



Launch Cost *2
350 million yen



**Approximately
700 million yen**

(Reference) Satellite Operation Cost *3
50 million yen/year

*1: The above shows the long-term revenue and cost structure in the event that the business continues smoothly, and may differ significantly from actual sales 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.

*2: The level of medium-resolution satellites currently in operation by the Company. Commercial satellites are assumed to be depreciated on a straight-line basis over 5 years.

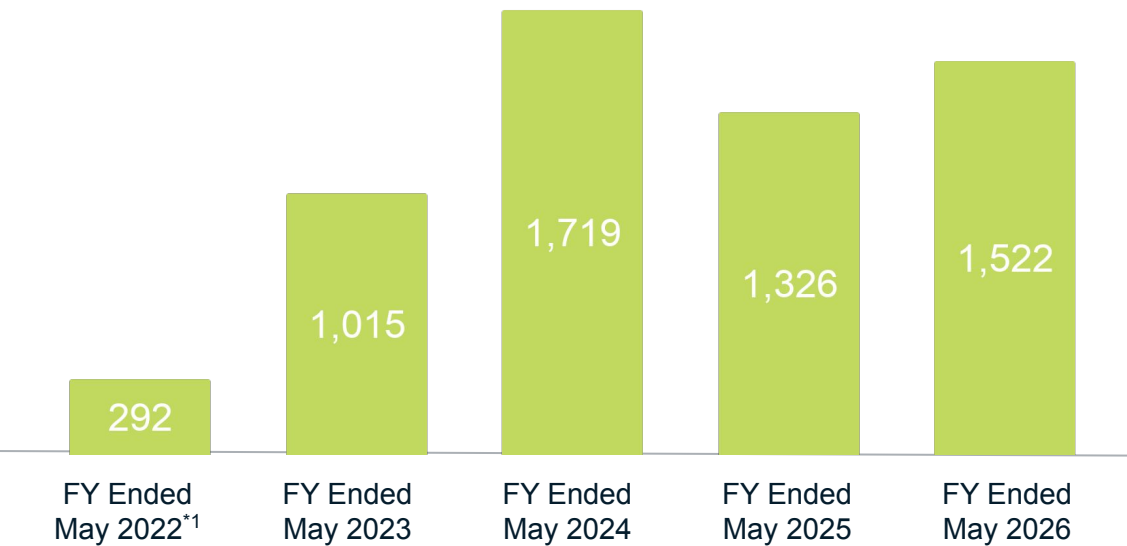
*3: Composed of ground station usage fees, data storage costs, operational personnel expenses, etc.

AxelLiner Business Performance

Provides development, manufacturing, launch arrangement, and in-orbit operation of microsatellite projects for customers. Current customers are primarily domestic government agencies.

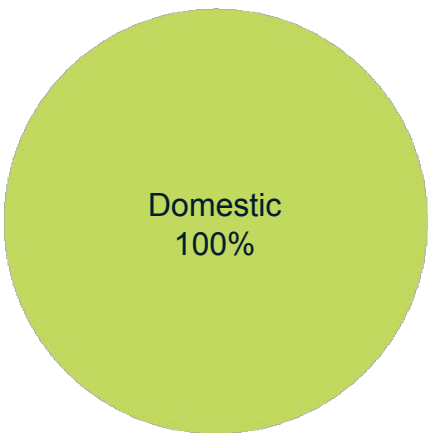
Revenue
(Full Year)

(Unit: million yen)

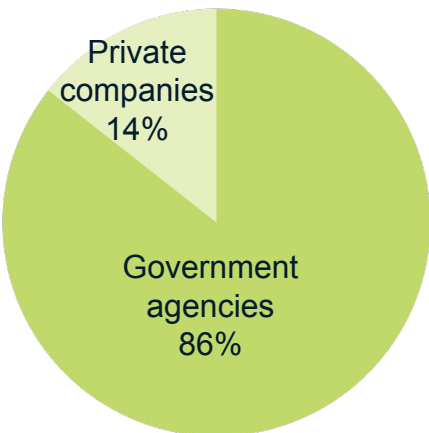


Major Customers of AxelLiner Business
(FY Ended May 2026)

By Region



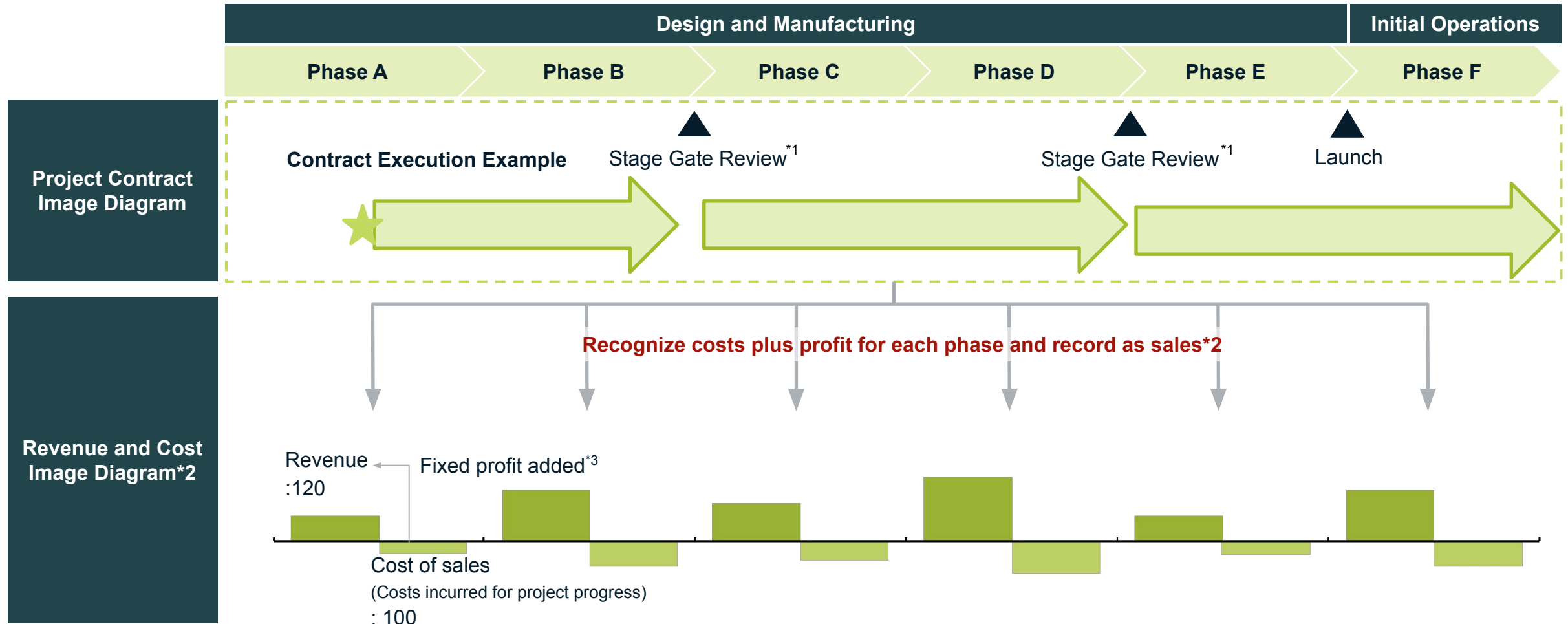
By Customer



^{*1}: For FY Ended May 2022, Axelspace has not received audit certification under Article 193-2, Paragraph 1 of the Financial Instruments and Exchange Act or equivalent.
Source: Company websites and public materials. This page contains forward-looking information. Please refer to page 59 for assumptions, limitations, constraints, and risks regarding forward-looking information.

AxelLiner Business: Revenue Recognition Method (Progress Image)

For government-related projects with long project periods, revenue is recognized based on the progress toward satisfaction of performance obligations



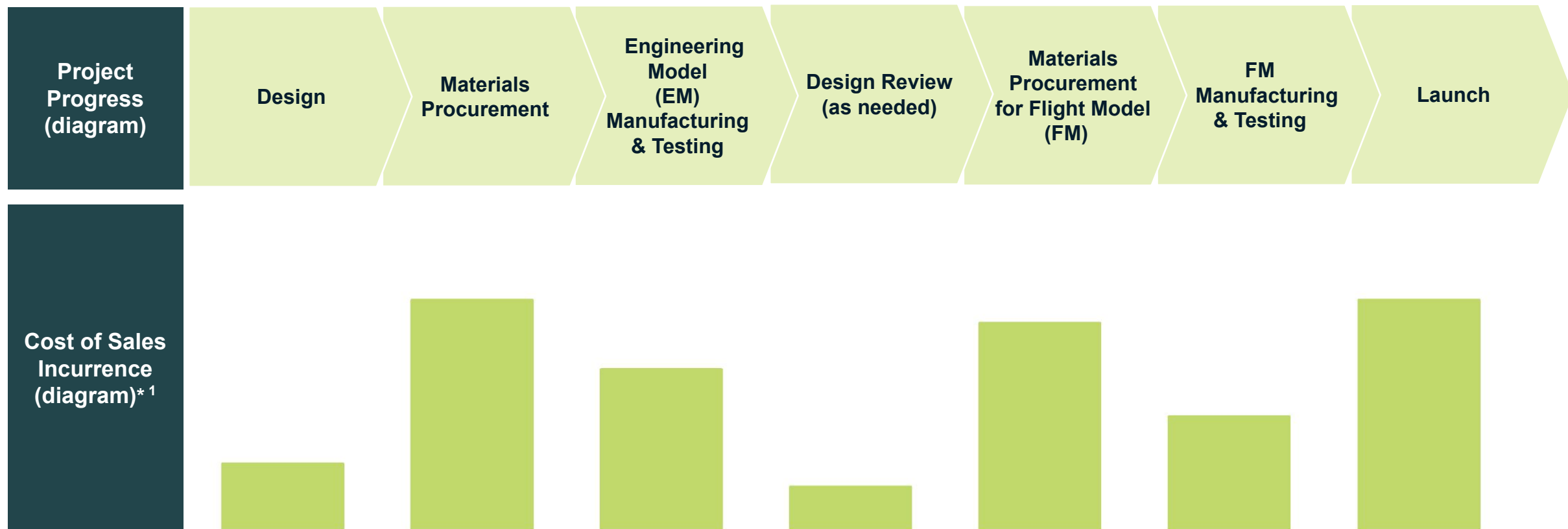
^{*1}: In government-related development projects, if a project is suspended due to interim evaluations or stage-gate reviews, which are common, there is a possibility that the remaining revenue from that point onward will not be recognized.

^{*2}: For simplification purposes in this image diagram, the graph is created without considering the profit that is actually added to costs, and the cash flow and revenue amounts recognized in each phase may differ from actual projects.

^{*3}: The profit margin varies by project and is shown as an image.

Illustration of Cost Incurred by Project Progress (K Program)

Cost of sales tends to increase during the material procurement phase and decrease during the design, manufacturing, and testing phases.



*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.

Business Domain of AxelGlobe Business

Among the many Earth observation satellites, Axelspace operates in the optical satellite field.

<What are optical satellites?>

Satellites that observe the Earth's surface from information of sunlight reflected off objects.

Satellites equipped with optical sensors that photograph the ground using the sun as a light source, similar to ordinary digital cameras.



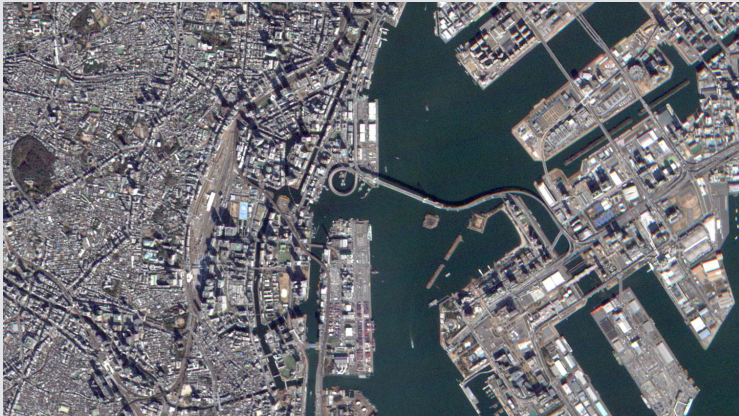
Characteristics of Optical Satellites

- Low power consumption as they do not emit radio waves themselves and perform observation by reception.
- Due to low power consumption, it is possible to maintain a wide area captured per satellite per day and keep observation frequency high.
- Areas obscured by clouds cannot be observed.

Image captured by our microsatellite "GRUS-1" - Suez Canal (Egypt)

Business Domain of AxelGlobe Business: Optical Satellites and SAR Satellites

Optical satellites handled in the AxelGlobe Business are characterized by high imaging frequency and wide imaging range.

	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).

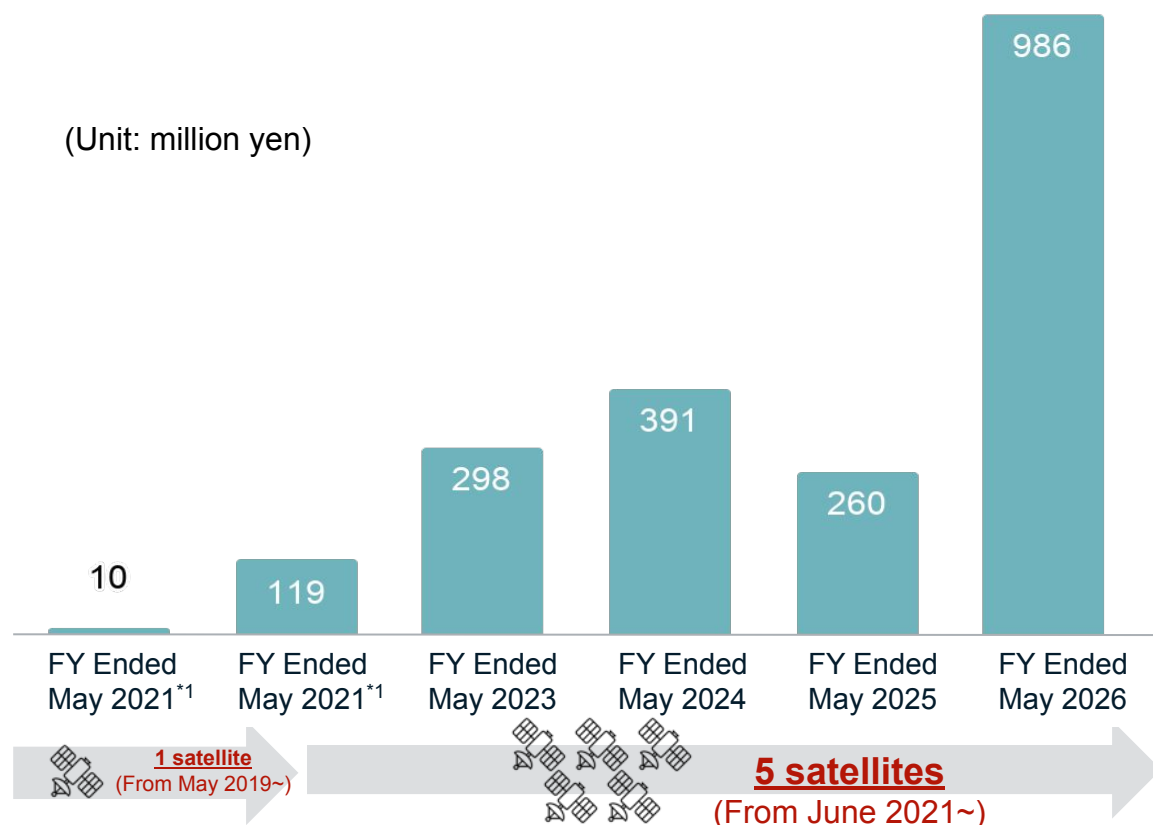
*3: Comparison of microsatellite manufacturing costs between domestic SAR microsatellite operators and Axelspace. Axelspace's manufacturing costs are described on page 46.

AxelGlobe Business Performance

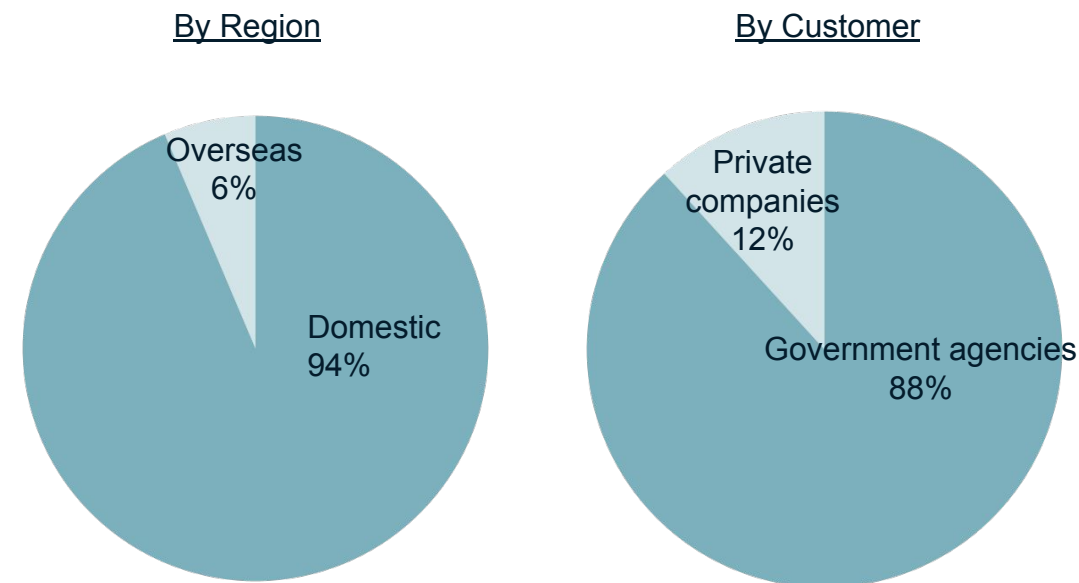
Axelspace has expanded imaging frequency and capacity by increasing the number of operational medium-resolution optical satellites in its constellation. Revenue secured from government agencies as well as private enterprises and overseas customers.

Revenue
(Full Year)

(Unit: million yen)



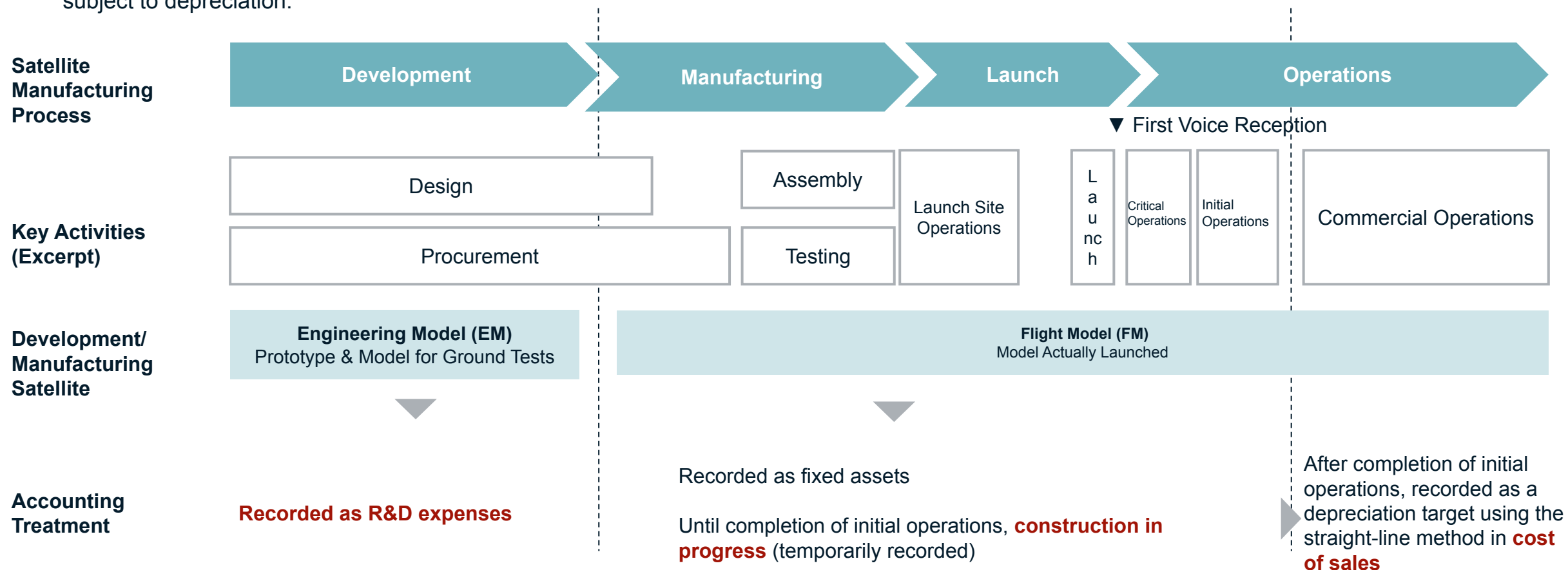
Major Customers of AxelGlobe Business
(FY Ended May 2026)



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

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.



Major Risk: Launch Service Provider (LSP) and Launch Failure Risk

Technological innovation led by the private sector is progressing, and rocket launch technology has matured. At present, launches are successful with a very high probability. In addition, space insurance is covered for missions.

LSP Selection Policy

- Regardless of whether the missions are of customers or our own, we estimate the development process and required period, and **determine the desired launch schedule from a relatively early stage**
- Through LSP agents and other means, we promptly identify providers who can offer launch services on the desired schedule.
 - If the launch schedule can be secured, we quickly book the slot
- We are quite familiar with estimating the period required for development and operating the development, and as a result, we have never failed to book the schedule as desired
- **Considering its launch frequency and reliability**, currently **SpaceX** is prioritized
- The Company has secured launch slots for **8** satellites scheduled for future launch (as of July 10, 2026)

Launch Record of LSP with Proven Track Record

- We mainly use **SpaceX's Falcon 9**
- At this point*1, **the success rate is 99.55%**, which is extremely high
- In addition, regardless of whether it is a customer mission or our own, we usually obtain **space insurance**
- Even if a satellite is completely lost due to a launch failure, the insurance will cover **the majority of the development and launch costs**

Falcon 9 Launch Record



*1: As of July 10, 2026
Source: SpaceXNow

Major Risk: Satellite Malfunction in Orbit

When a satellite in orbit malfunctions, we will work on recovery by leveraging our expertise in handling the entire process from satellite development to operation. Therefore, a malfunction does not necessarily lead directly to unavailability. Our recovery know-how will be reflected in the automatic operation system and will be used to resolve the issue in the future.

Past response to malfunction (GRUS-1E)

[Occurrence of malfunction]

The GRUS-1E, one of the five company-owned satellites in the AxelGlobe Business, encountered an issue with its three-axis attitude control system, which is used for stable attitude control of the satellite, resulting in an increase in angular momentum (a force that tries to rotate).

[Examination of the impact on customers]

We have confirmed that the remaining four satellites continue to operate normally and we can provide imagery data using these operational satellites.

[Recovery work]

We reduced angular momentum by applying other attitude control method

[Recovery validation]

Verified whether normal operation is possible with the angular momentum reduced.
Confirmed that imaging, communication, and image generation can be performed as usual.

[Resumption of Commercial Operation]

Through the above measures, completed recovery work to enable operation with the automated operation system, the same as the other four company-owned satellites.

Resumption of commercial operation of GRUS-1E

Developed a function that enables image data acquisition with the automated operation system.

Announced the resumption of commercial operation on January 13, 2026 ^{*1}

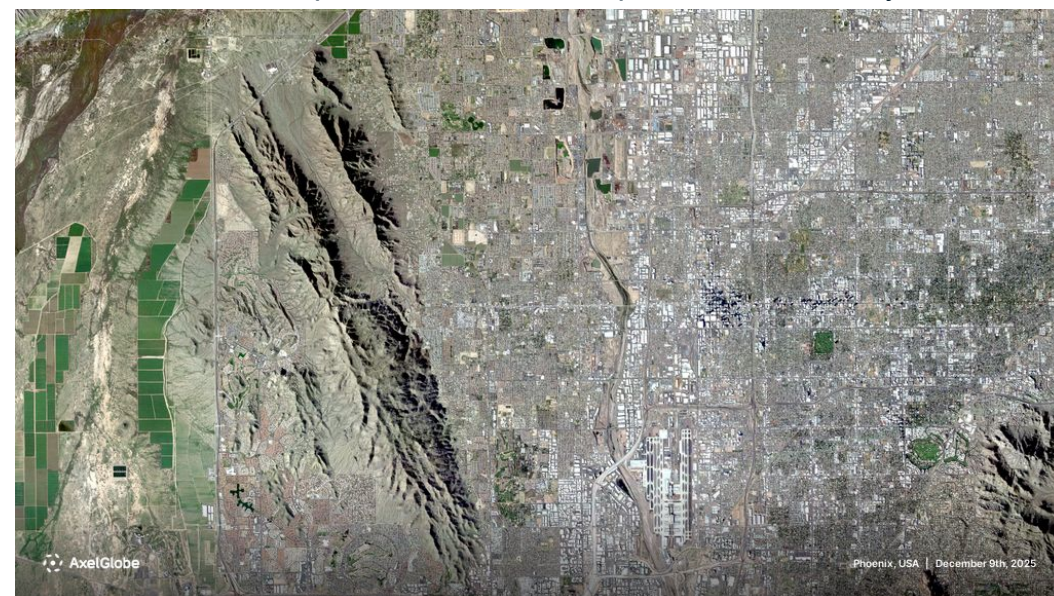


Image captured by GRUS-1E (Phoenix, Arizona, United States of America)

^{*1}: For details, please refer to the [Resumption of Commercial Operation of AxelGlobe Business Microsatellite 'GRUS-1E'](#) released on January 13, 2026.

Consolidated Statements of Income

(Unit: million yen)	FY Ended May 2025	FY Ended May 2026	
	Actual	Actual	Year-on-year change
Revenue	1,586	2,508	+58.1 %
Cost of sales	1,479	1,710	+15.7 %
Gross profit	107	797	+639.9 %
Selling, general and administrative expenses	2,602	4,620	+77.5 %
Operating income (loss)	-2,495	-3,822	-
Non-operating income	844	514	-39.1%
Non-operating expenses	173	403	+132.4 %
Ordinary profit (loss)	-1,824	-3,712	-
Extraordinary income	-	-	-
Extraordinary loss	122	338	+176.1 %
Income (loss) before income taxes	-1,947	-4,050	-
Income taxes - current	3	6	+66.8 %
Income taxes - deferred	-	-	-
Net income (loss) attributable to owners of parent	-1,950	-4,057	-
Total revenue (Non-GAAP)* ¹	2,322	2,995	+29.0 %

*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)	End of May 2025	End of May 2026	Main Factors for Increase/Decrease
	Actual	Actual	
Assets	9,523	14,609	
Current assets	9,396	11,025	
Cash and cash equivalents	5,006	5,815	Increase due to listing proceeds and long-term borrowings
Other current Assets	4,389	5,210	Increase in contract assets due to progress in government-related projects
Non-current assets	126	3,583	Increase due to assets related to GRUS-3
Liabilities	6,495	7,615	
Current liabilities	1,545	4,353	
Short-term borrowings	388	2,007	Increase due to reclassification of repayments due within one year from non-current liabilities
Other current liabilities	1,157	2,345	Increase in advances received due to receipt of provisional subsidy payments
Non-current liabilities	4,949	3,262	
Long-term borrowings	4,949	3,262	Decrease mainly due to reclassification of repayments due within one year to current liabilities
Equity	3,027	6,993	Increase in capital stock and capital surplus associated with listing
Total Liabilities and Equity	9,523	14,609	

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 are loaded.
CubeSat	Small satellites weighing several kg. In this material, 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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