

AXELSPACE

Matters Relating to Business Plans and Growth Potential

August 31, 2026

Axelspace Holdings Corporation
Securities Code: TSE 402A

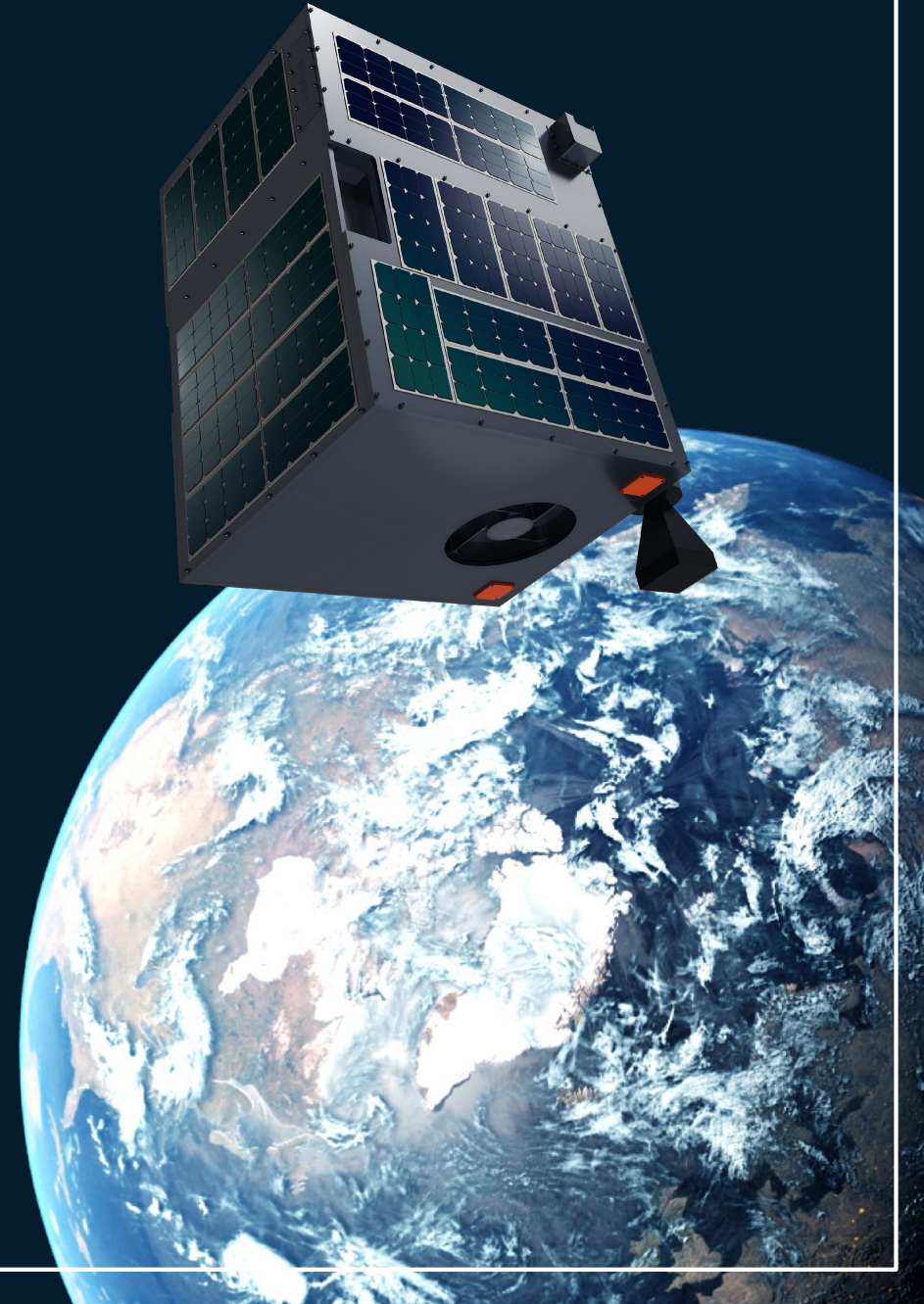


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Note: Unless otherwise specified in this material, the following applies.

- Full Year: Refers to the 12-month period from June 1 of each year to May 31 of the following year.
- FY refers to the fiscal year ending in May of the year indicated.
- The Company: Axelspace Holdings Corporation
- 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).



Flight Model of GRUS-3

I Business Overview

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.

Axelspace at a Glance (As of May 31, 2026)

Providing a broad range of services built on expertise gained through the development and operation of microsatellites, spanning satellite development for customers, in-orbit demonstration, and Earth observation using its own satellite constellation.^{*1}

Company Overview

<u>Establishment</u> March 2020 ^{*2}	<u>Listing</u> August 2025	<u>Capital stock</u> 4,103 million yen
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Satellite Development and Operation Track Record^{*3}

<u>Manufacturing and launch</u> 18 satellites in total	<u>Number of operating satellites in constellation</u> 4 satellites
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Employee Status

<u>Number of employees</u> 218	<u>Ratio of engineers</u> 60%	<u>Ratio of foreign employees</u> 26%
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Corporate Governance

<u>Number of Outside Directors</u> 3	<u>Ratio of Outside Directors</u> ^{*3} 60%
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Key Financial Indicators

<u>Total Revenue</u> 2,995 million yen	<u>Order backlog</u> 53,375 million yen	<u>Adjusted EBITDA</u> ^{*4} -3,340 million yen	<u>Cash and Cash Equivalents</u> 5,815 million yen
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^{*1}: A system in which multiple satellites are deployed and operated in an integrated manner

^{*2}: The predecessor, Axelspace Corporation, was established in August 2008

^{*3}: As of the end of August 2026

^{*4}: Adjusted EBITDA = Ordinary profit + interest expense + depreciation + share-based compensation expenses

AXELSPACE

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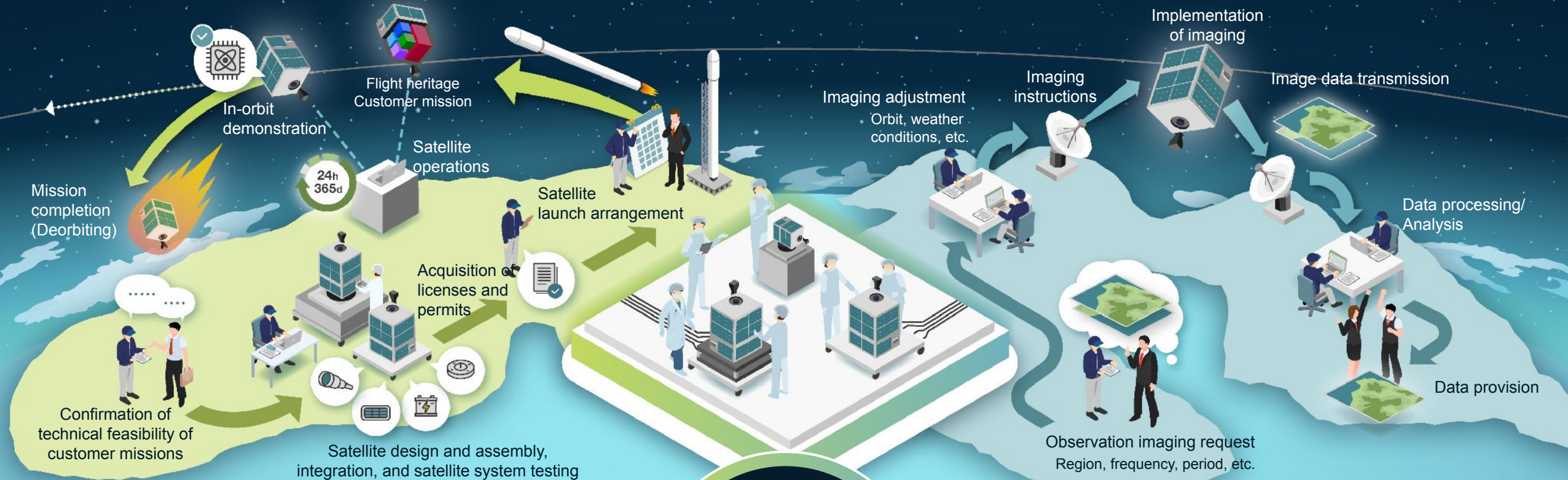
History

Track record of designing, manufacturing, and operating 18 microsattellites since its founding, including becoming the first Japanese startup to receive a satellite development contract from JAXA.

Steadily expanding business in line with technology accumulation and changes in social needs.



Expanding the Use of Space through Both Building and Utilizing Microsatellites



Customer examples

Government agencies / space component manufacturers

Customer examples

Domestic: Government agencies /Private companies (disaster prevention, agriculture), etc. Overseas: Forest management / river management, etc.

Development, manufacturing, launch arrangement, and operation of satellites for customers



- Versatile bus systems for short-lead-time, low-cost satellite development
- Improved access to demonstration opportunities through ride-sharing

AXELSPACE
Building and utilizing satellites

Provision of image data services using our satellites



- Satellite constellation for high-frequency, wide-area observation of the globe
- Providing optical images that are easy to use for a wide range of applications at a reasonable price

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 inter-satellite optical communication network systems

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

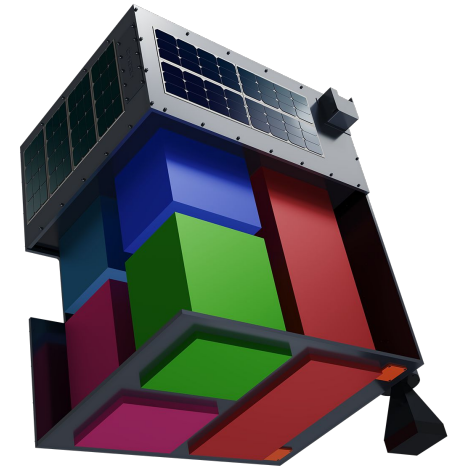
Flexible use of only the required payload space within a satellite, with the option to use an entire satellite for a dedicated in-orbit demonstration.

(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. ▪ Pale Blue Inc.
- JAXA



Ridesharing Service Concept

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

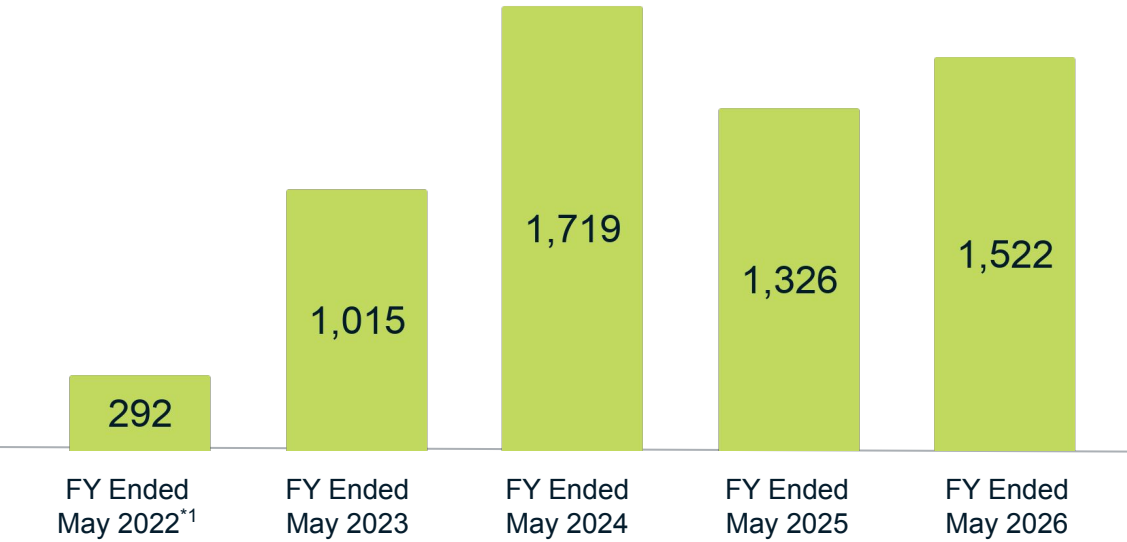
Competitiveness supporting the AxelLiner Business: Approximately 18 years of development and operation know-how × End-to-end service provision system

AxelLiner Business Performance

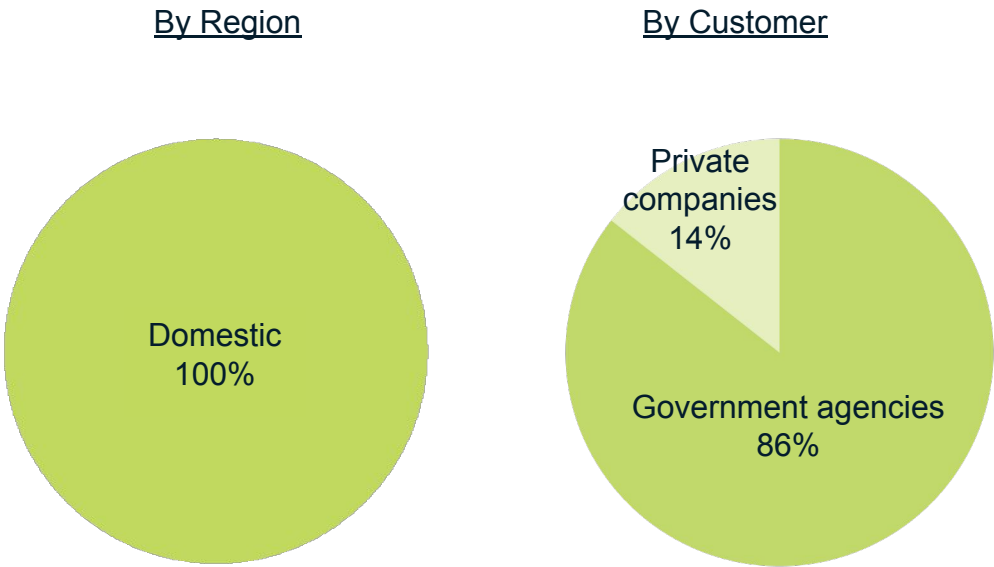
Provides development, manufacturing, launch, and operations for customer microsatellite projects. While government agency projects serve as our business foundation, projects for private companies are also progressing.

Revenue (Full Year)

(Unit: million yen)



Major Customers of AxelLiner Business (FY Ended May 2026)



^{*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 68 for assumptions, limitations, constraints, and risks regarding forward-looking information.

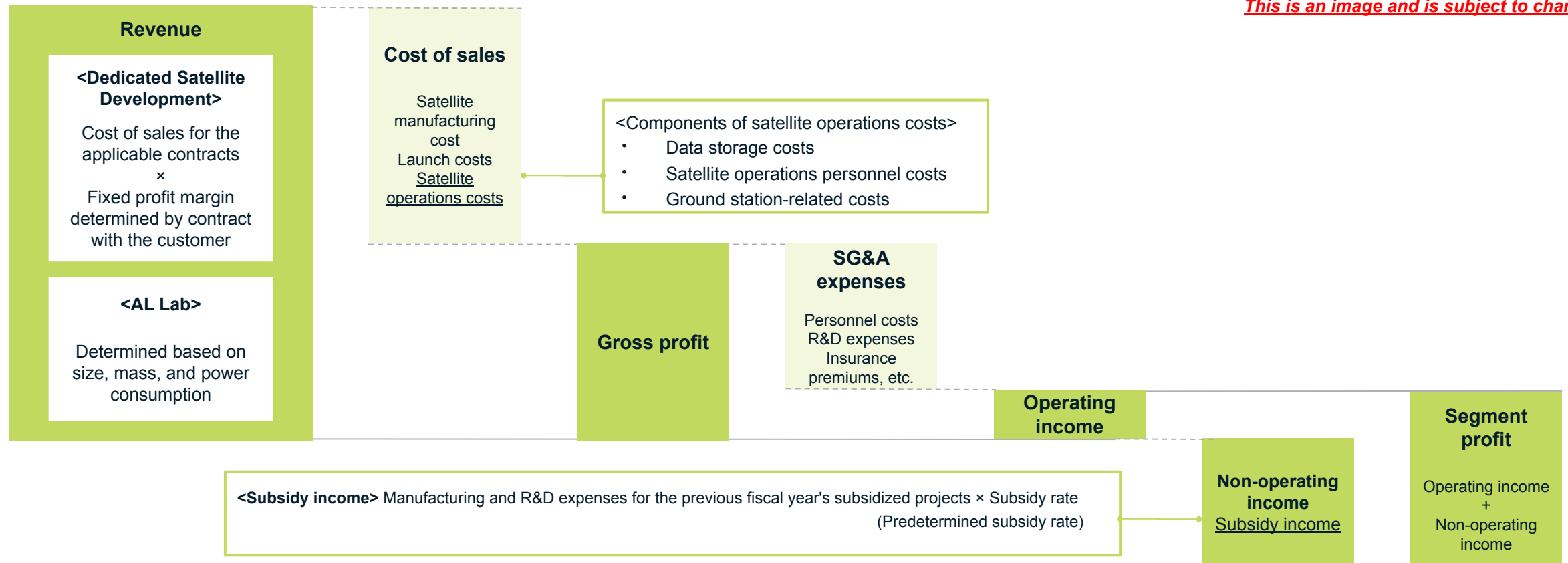
AxelLiner Business Revenue and Cost Structure

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 launches as demo-satellites (cumulative 6 units from the FY ended May 2025 to the FY ending May 2028)
Progress for the FY ended May 2026: cumulative 1 unit

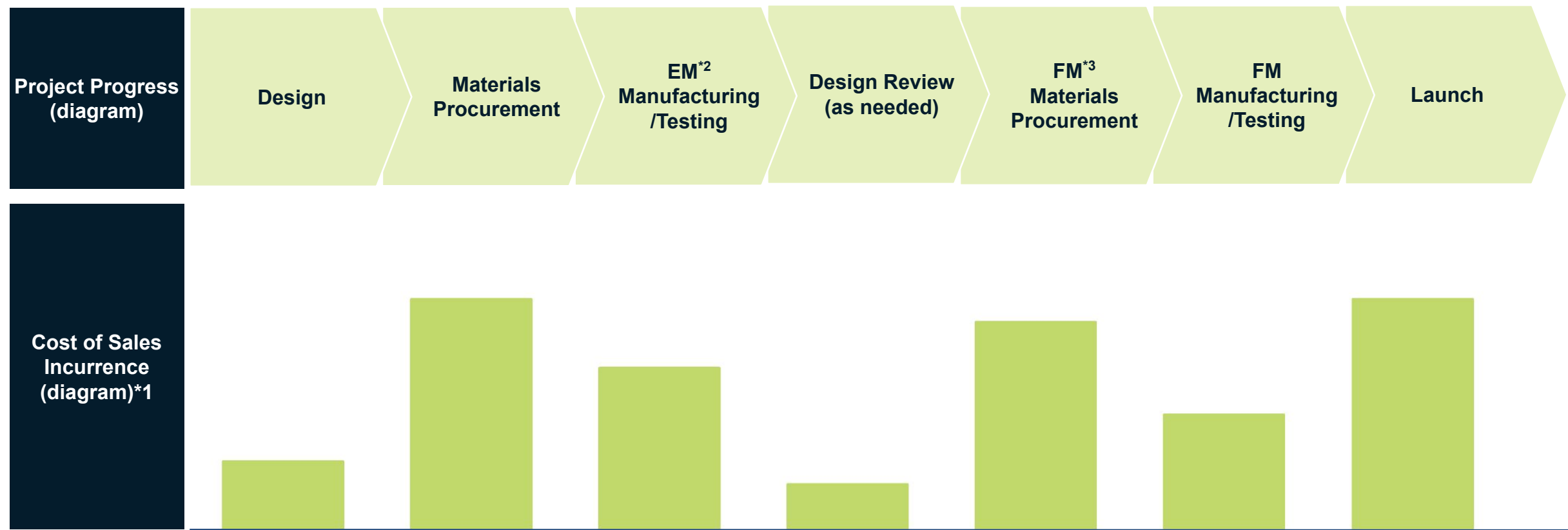
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Note: The above shows the revenue and cost structure of the business, which may differ significantly from actual revenue and costs, and does not represent forecasts or estimates regarding future performance.
In addition, there is no guarantee that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

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.



*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 vehicle for ground-based testing.
 *3: Abbreviation for Flight Model, a vehicle that is actually launched.

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

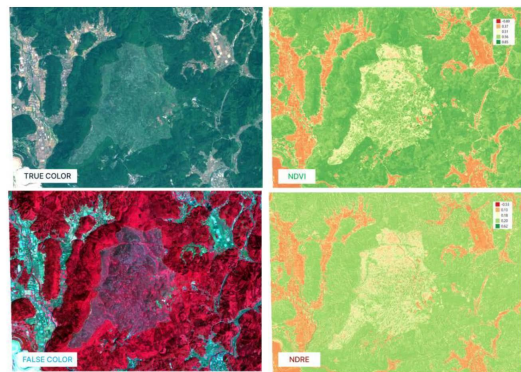
With an imaging swath of 55 km and a maximum imaging length of approximately 1,000 km, we support wide-area monitoring of coastlines, farmland, forests, and more.

(3) High-frequency imaging

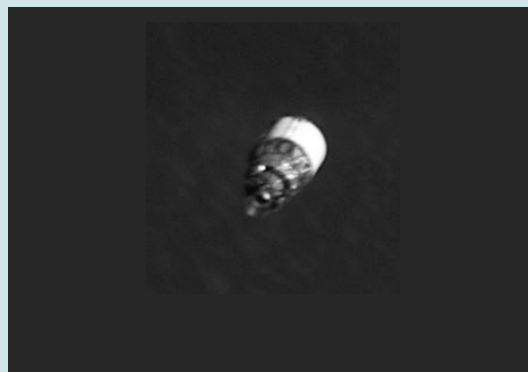
Imaging of the same location is possible once every 2-3 days, supporting change detection through regular observation and timely business decision-making.

Examples of Image Data Utilization

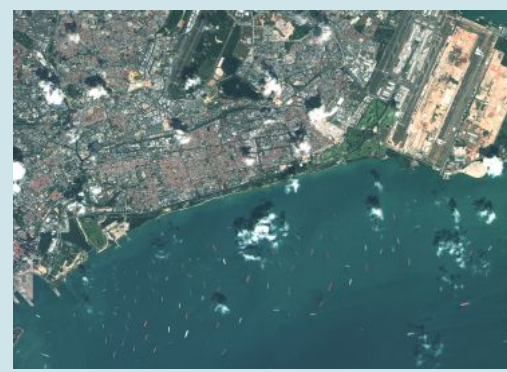
Agriculture and Forestry



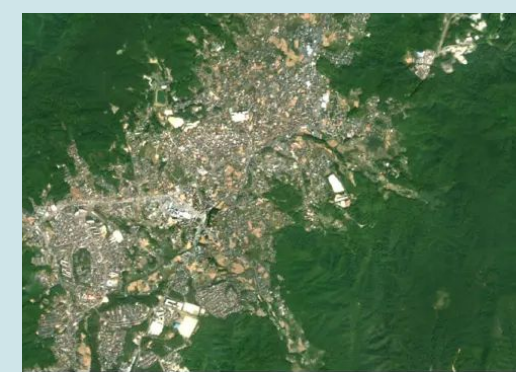
SSA (Space Situational Awareness)



Security



Mapping (Map Creation)

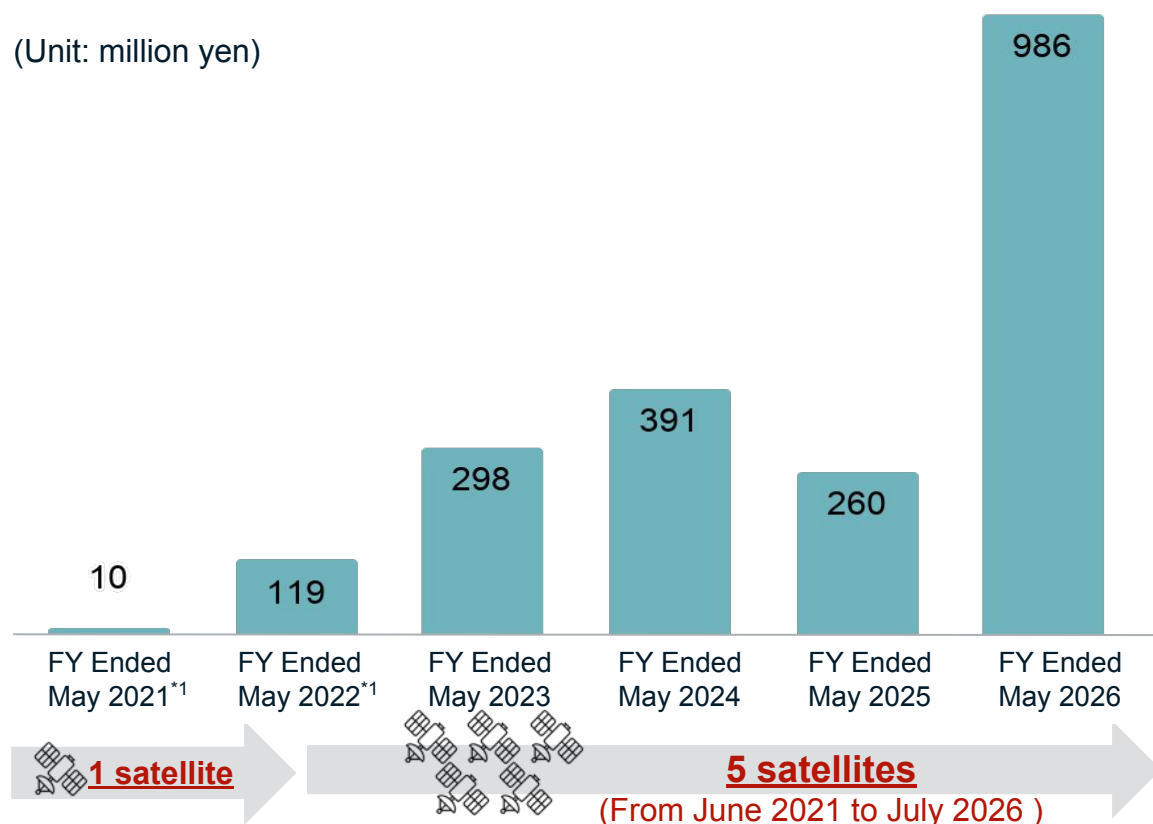


AxelGlobe Business Performance

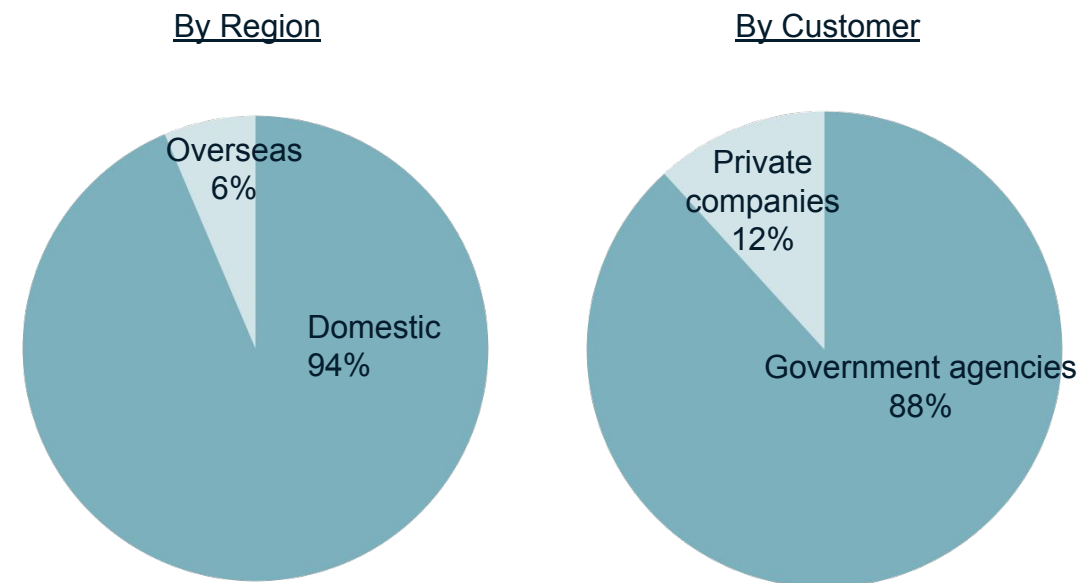
Expanding imaging frequency and capacity by increasing the number of operational medium-resolution optical satellites in the constellation.
Revenue secured from government agencies as well as private enterprises and overseas customers.

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 Revenue and Cost Structure

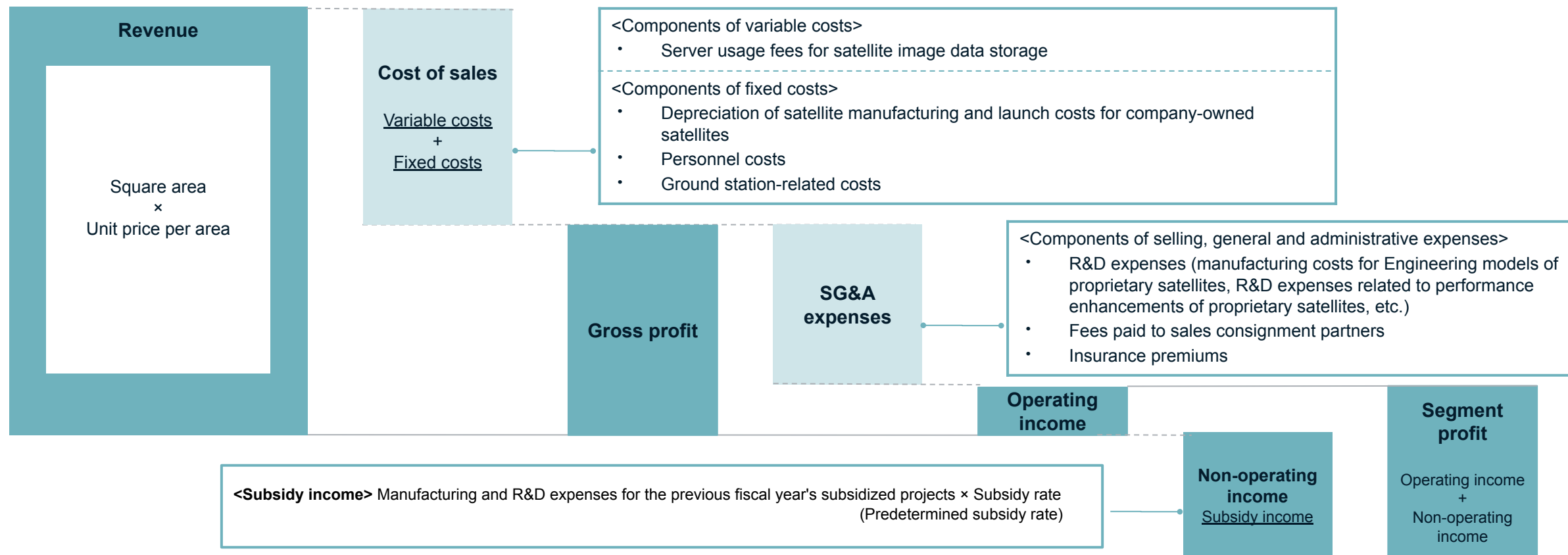
Business model with low variable costs. Aiming for 90-95% gross profit margin.

KPI

Number of Operating Satellites in Constellation (14 satellites as of the fiscal year ending May 2028)

Progress in the fiscal year ended May 2026: 5 satellites^{*1}

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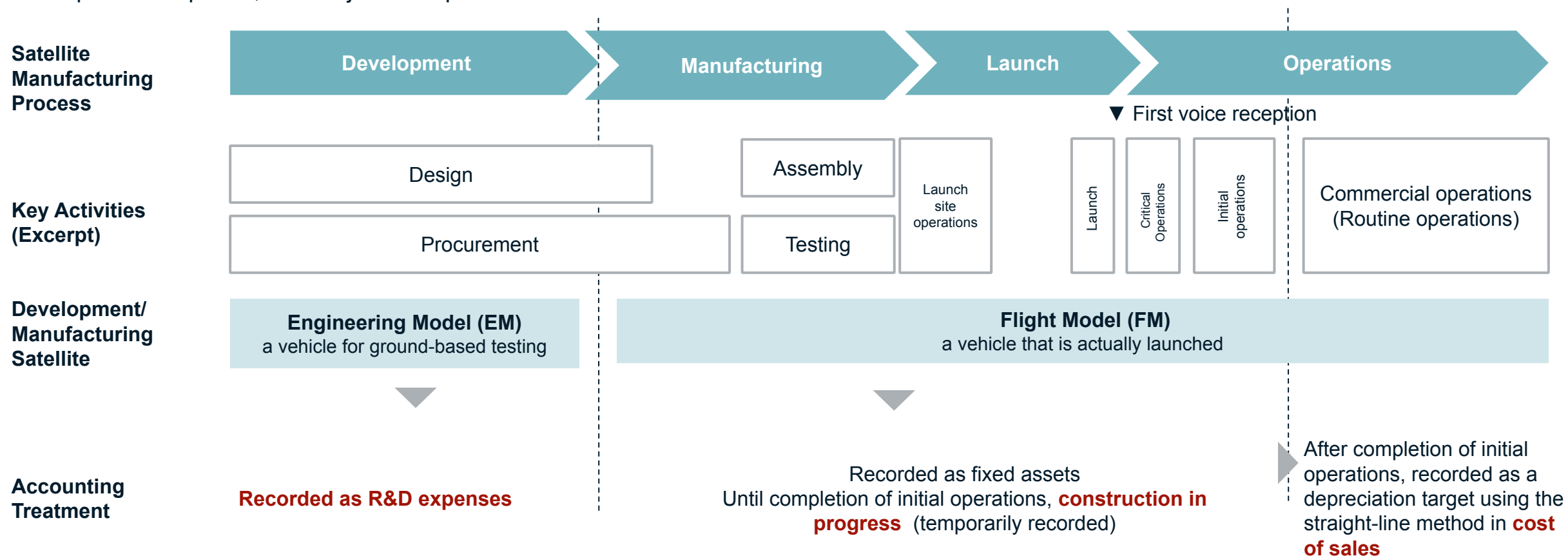


Note: The above shows the revenue and cost structure of the business, which may differ significantly from actual revenue and costs, and does not represent forecasts or estimates regarding future performance. In addition, there is no guarantee that the breakdown, revenue, and cost structure of the above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

^{*1}: Following the announcement of the termination of commercial operation of GRUS-1E on July 27, 2026, after the end of the fiscal year ended May 2026, we are currently operating with four satellites.

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.



Management Team with Diverse Expertise

Team comprising founders with deep expertise in satellite technology and the space business, alongside members with diverse knowledge and experience in management, finance, business development, DX, and other fields.

Axelspace Holdings Corporation (Axelspace HD)



**Yuya Nakamura / President and CEO, Axelspace Holdings and Axelspace Corporation;
Director, Axelspace Defense & Intelligence**

- Ph.D. in Engineering, Department of Aeronautics and Astronautics, Graduate School of Engineering, The University of Tokyo
- During his studies, engaged in the development of three microsatellites, including the world's first student-led microsatellite project
- Founded Axelspace Corporation in 2008



**Daigo Orihara / Director, Axelspace Holdings,
Axelspace Corporation and
Axelspace Defense & Intelligence**

- Completed University of Michigan, Ross School of Business
- After working at Sanwa Bank and a telecommunications equipment manufacturer, engaged in financial advisory at the Investment Banking Division of UBS Securities Japan, followed by consulting and investment at Industrial Growth Platform, Inc. (IGPI). Subsequently joined university-based startup Innophys as CFO, leading fundraising and the development of mid-term business plans
- Joined in April 2023 after serving as CEO of Innophys

Axelspace Corporation



Takashi Eishima / Director, Axelspace Corporation

- Completed the coursework for the doctoral program in the Department of Aeronautics and Astronautics, Graduate School of Engineering, The University of Tokyo. After serving as a Project Researcher at The University of Tokyo, co-founded Axelspace with Nakamura in 2008
- Formulates technology development and technology development roadmaps, and establishes satellite project management and engineer training plans



**Yukichi Miyagawa / Executive Officer, Axelspace Holdings
and Axelspace Corporation**

- Joined in 2024 after working at an independent Sler (software development, served as US branch president) and Rakuten Group (responsible for system development for EC, online supermarkets, etc.)

Axelspace Defense & Intelligence Corporation



**Yoshihiro Ota / President, Axelspace Defense &
Intelligence**

- Joined in November 2014 after working at a financial institution
- Engaged in a wide range of businesses, including the AxelGlobe Business and AxelLiner Business, with a focus on management administration tasks such as fundraising



**Tatsuhiko Fukasawa / Director, Axelspace Defense &
Intelligence**

- Joined in 2022 after working at Macnica, Inc. and a US semiconductor startup (domestic business launch and organizational development/operations)



Tomihisa Kamada / Outside Director*

- Founder of ACCESS CO., LTD. a network software company
- After leaving the company, established TomyK Ltd. to support startups
- Supports startups in various fields such as robotics, AI, IoT, space, genomics, and medicine, and possesses extensive knowledge regarding management in advanced technology fields



Chiaki Mukai / Outside Director*

- First Asian woman to become an astronaut
- Has long contributed to the development of the space industry both domestically and internationally, including research activities at NASA and serving as Chair of the Scientific and Technical Subcommittee of the United Nations Committee on the Peaceful Uses of Outer Space
- Possesses extensive knowledge regarding the space industry and company management, including serving as an outside director for major listed companies



Masanori Sugiyama / Outside Director*

- Has a track record of serving as a director for multiple startups, including ZAPPALLAS, INC., and growing them into listed companies, and possesses extensive knowledge regarding company management

*Independent outside director as defined by the Tokyo Stock Exchange



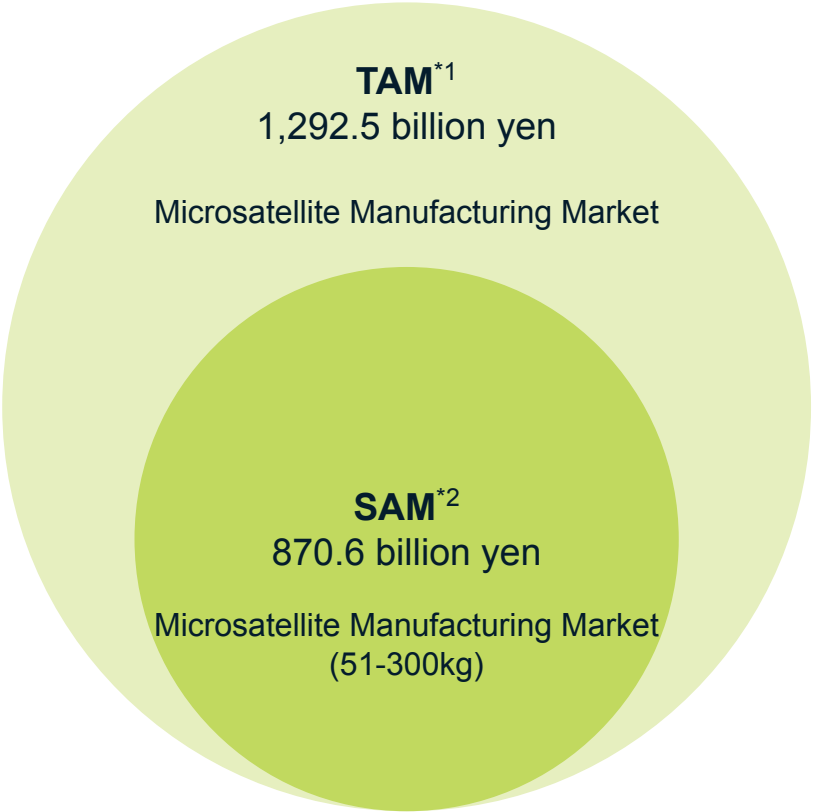
Falcon 9 that successfully launched with GRUS-3 on board ©SpaceX

II Market Environment and Growth Opportunities

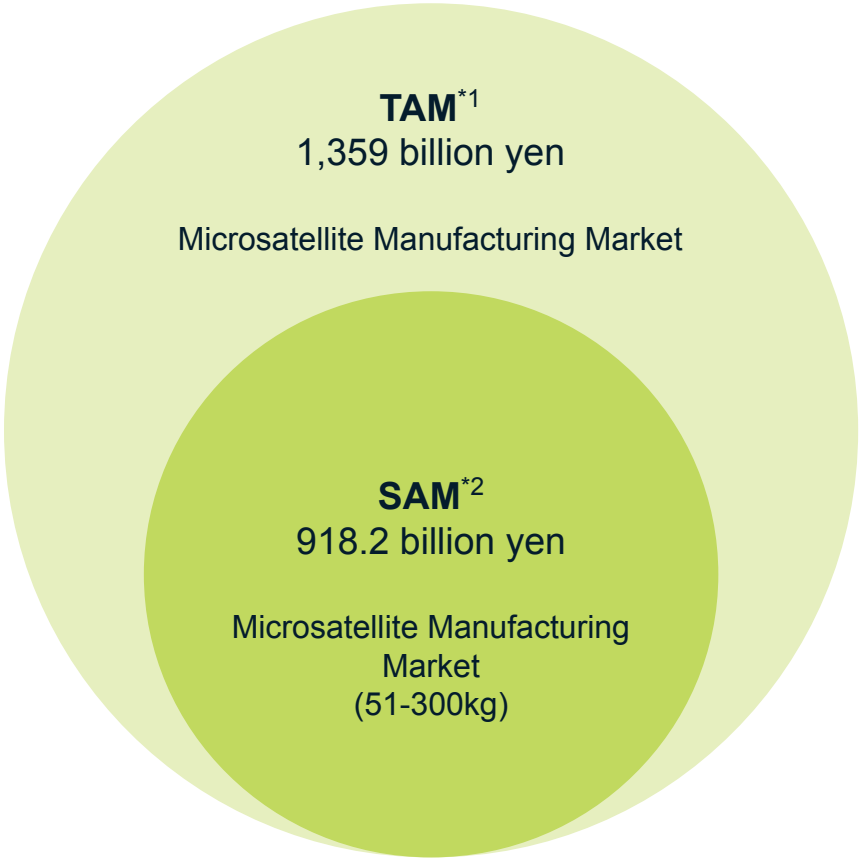
AxelLiner Business: Global Market Size for Microsatellite Manufacturing

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 dollar = 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.

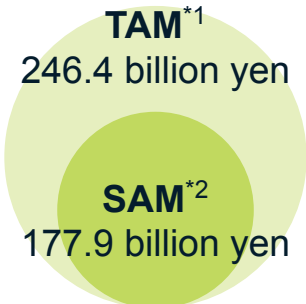
AxelLiner Business: Global Market Size of In-Orbit Demonstration Services

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

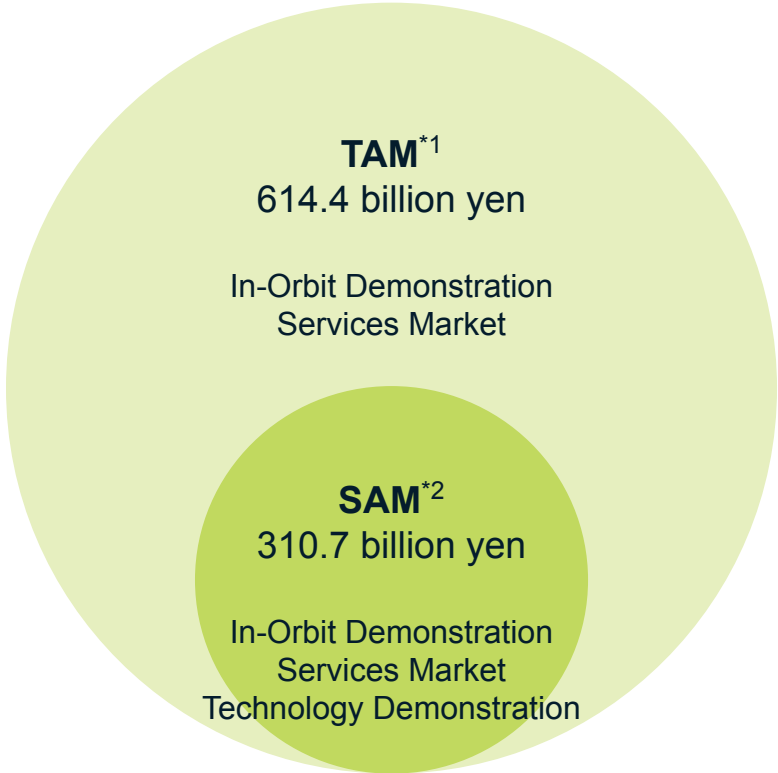
2024 (Actual)

2030 (Forecast)

In-Orbit Demonstration Services Market
(Manufacturing market for technology development satellites designed to test new technologies or components)



In-Orbit Demonstration Services Market
Technology Demonstration



Source: Prepared by the Company based on DataIntel, "Global In-Orbit Demonstration Services Market Analysis and Forecast, 2018-2033". Converted at 1 dollar = 160 yen.

*1: Total Addressable Market. Global In-Orbit Demonstration Services Market

*2: Serviceable Available Market. By Service Type, Technology Demonstration

Comparison with Other In-orbit Demonstration Service Providers in AxelLiner Laboratory

With the global growth of the space industry, the need for in-orbit demonstrations is expanding, leading to new market entrants and service expansion both domestically and internationally, and the competitive environment is expected to become even more active in the future. Leveraging our track record of 18 satellite developments and operations, as well as the technology cultivated through 50–200kg class satellites, we provide in-orbit demonstration services capable of accommodating a diverse range of payloads.

In-orbit demonstration service provider	Country	Payload capacity	Service track record ^{*2}
Axelspace	Japan	Max. 30kg	4 projects
Company A	Japan	Approx. 3U ^{*1}	Multiple projects
Company B	Lithuania	Max. 100kg	Dozens of companies
Company C	Italy	Max. 160kg	83 projects
Company D	Bulgaria	Max. 70kg	Multiple projects
Company E	Belgium	Max. 100kg	Not disclosed

Source: Prepared by the Company based on disclosure materials from each company. This shows the Company's own analysis of these companies based on publicly available information from competitors.

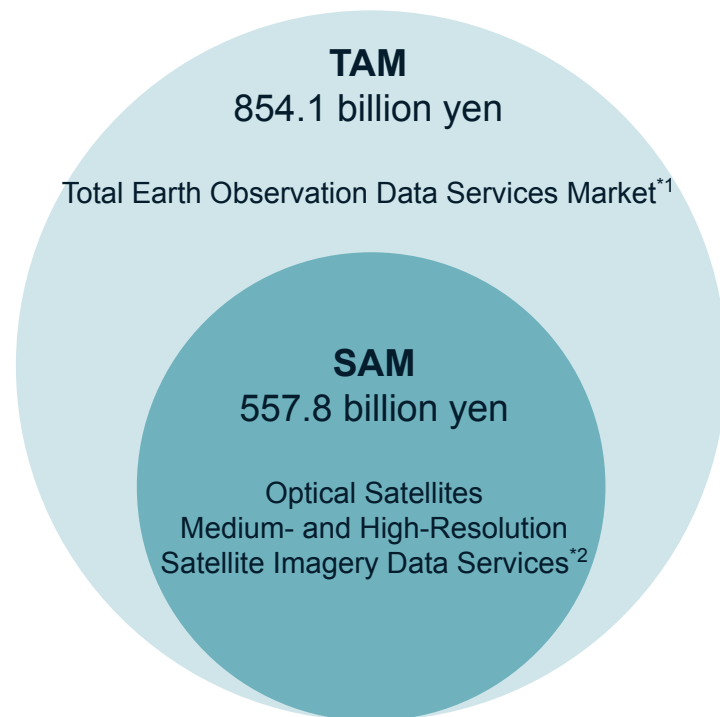
*1: 1U is a standard for a 10cm cubic microsatellite, 1U=10cm×10cm×10cm, 3U=10cm×10cm×30cm

*2: Includes projects for which contracts have been signed and in-orbit demonstrations will be conducted in the future.

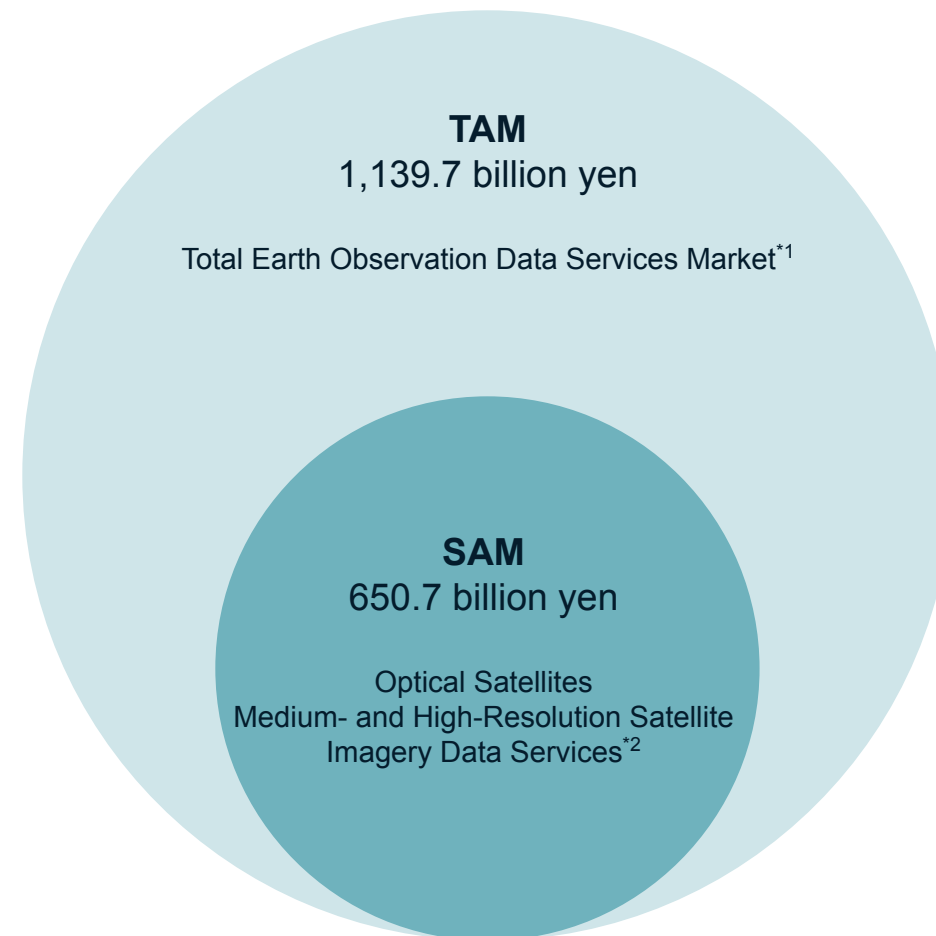
AxelGlobe Business: Global Market Size of Earth Observation Data Services

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)



2030 (Forecast)



Source: Prepared by the Company based on Novaspace, "Earth Observation Data & Services Market, 18th Edition, 2025." Converted at 1 USD = 160 yen.

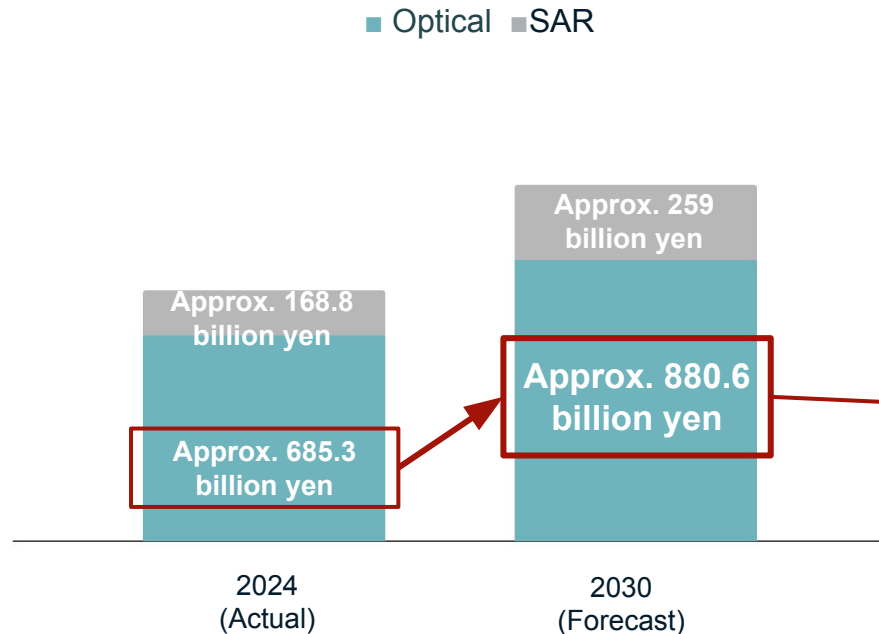
*1: Commercial Data & VAS (Value Add Service) revenues

*2: Commercial Data & VAS (Value Add Service) revenues REVENUES BY SENSORS - Spectrum/REGIONS TOTAL REVENUES BY DATA TYPE

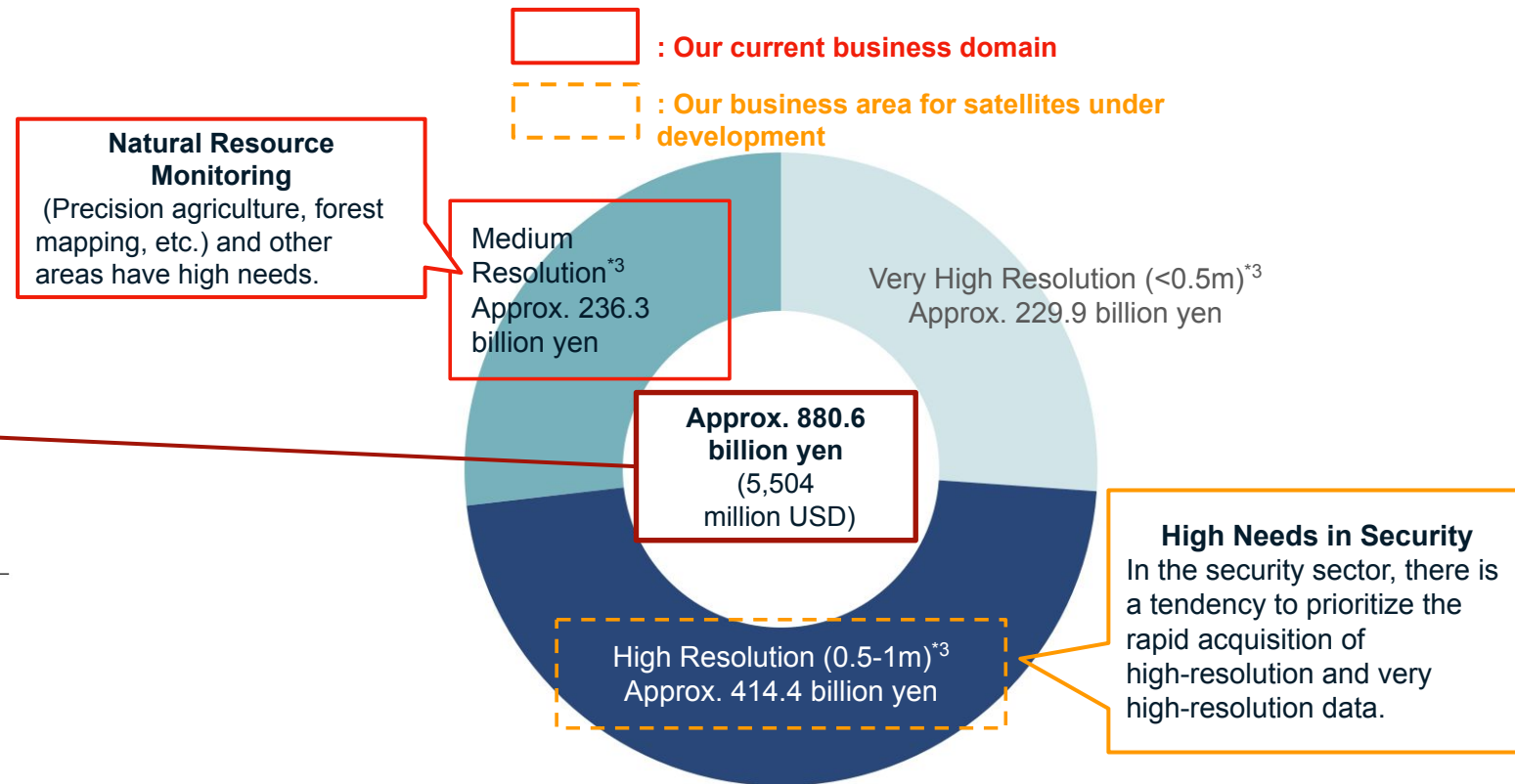
Constellation Expansion to Strengthen the Business Foundation: Market Data

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, which is 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 66), this slide presents the data from Novaspace's market report as is.

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 Ultra-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 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)

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, while also supporting 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 CubeSat; 3U: 10 cm × 10 cm × 30 cm

Trends in the Space Industry in Japan

The government has positioned space as one of the priority areas in its growth strategy and is promoting the expansion of public-private investment in the satellite and service sector. Long-term market expansion of the domestic space industry is expected, including in the Company's business domains of satellite manufacturing/operations and satellite data utilization.

17 Strategic Fields in the Japan Growth Strategy Council

- In the "Public-Private Investment Roadmap 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 (Right)**
 - 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
 - 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

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

Current Status

- Satellites (Earth observation, satellite communications, positioning) and services utilizing their data are investment areas that contribute to a wide range of industries, including disaster prevention, national resilience, and food security.
- Japan's strength lies in the advanced technology and expertise held by both the public and private sectors, including JAXA.

Key Challenges (Excerpt)

- Other countries are leading in some critical components and core technologies used in satellites, including commercial satellite optical communication terminals.
- Production systems (including supply chains) and infrastructure such as test facilities and ground stations are fragile or underdeveloped.
- **Overwhelming lack of opportunities for in-orbit demonstration.**

Public-Private Investment Amount
Estimated at 6.4 trillion yen by FY2040

Goals

- By the early 2030s, **construct 5 or more satellite systems by domestic private companies, etc.**, and implement 30 or more new major communication and satellite data utilization services in society both domestically and internationally.
- **Aim to capture approximately 12 trillion yen in domestic and international demand for Japanese companies in satellite manufacturing/operations and satellite communications/data utilization by 2040.**

<Economic Ripple Effect of Investment>
Estimated at 30.6 trillion yen by FY2040



Solar panel health testing for GRUS-3

III. Sources of Competitive Advantage

Our Competitive Advantages

Accumulated technology and know-how from the design and manufacturing of 100kg-class microsatellites to their operations. Realizing short lead times, low costs, and flexible satellite services through our proprietary design and manufacturing methods and automated operation system.

1

Proprietary Design Standards and Manufacturing System

Leveraging approximately 18 years of experience and know-how in satellite development to optimize development and testing processes. Established a proprietary development method that ensures quality suitable for commercial use while keeping development costs down.

► Page 28

2

Automatic Operation System

In-house development and integration of both satellite and ground software to automate the majority of satellite monitoring and operations. Reducing operational burden and realizing efficient multi-satellite operations.

► Page 29

3

Building a Proprietary Supply Chain

Selecting commercially available components suitable for use in space based on proprietary expertise, while combining in-house production and external procurement to achieve both high quality and low costs.

► Page 30

Proprietary Design Standards and Manufacturing System

Leveraging approximately 18 years of experience and know-how in microsatellite development, we have established a unique design and manufacturing method that identifies the performance and quality required for each mission. By optimizing design and testing processes and utilizing commercial off-the-shelf technology, we have realized satellite development with short lead times and low costs while maintaining quality.

Approximately 18 Years of Accumulated Microsatellite Development Know-how

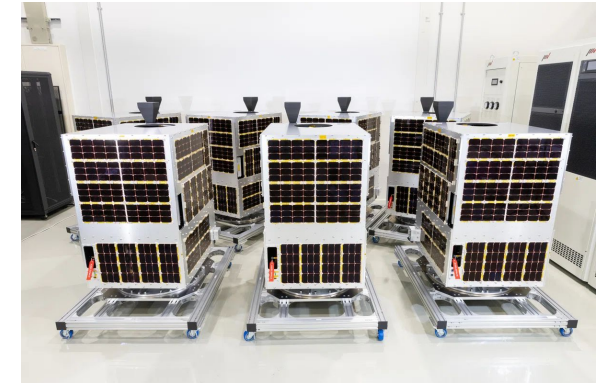
Starting with microsatellite research at university, we have continued the design, manufacturing, and operation of microsatellites since our establishment in 2008. Through satellite development and in-orbit operations, we have accumulated the design philosophy and manufacturing know-how necessary for mission execution.

Unique Design Pursuing the Quality Necessary and Sufficient for the Mission

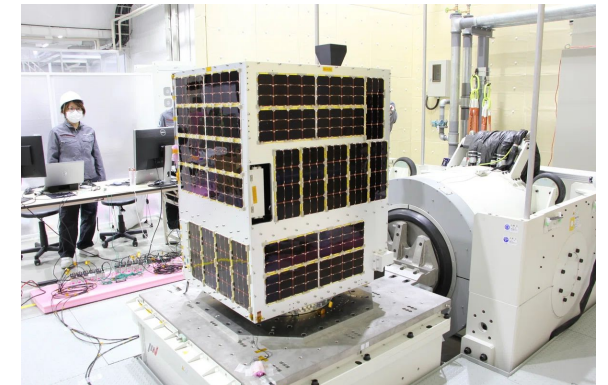
We identify the performance and quality required for each mission and avoid over-engineering. By advancing the technology cultivated at university, we have established unique design standards suitable for the microsatellite business.

Optimization of Development and Testing Processes

We have reviewed the development and testing processes required in conventional satellite development and optimized them for the processes necessary for microsatellite missions. This reduces development and testing man-hours while ensuring quality.



GRUS-3 flight models



Vibration testing using a shaker

Automatic Operation System

We have achieved advanced operational automation by developing both the software installed on satellites and the operational software on the ground in-house, and by linking them together.

Leveraging our consistent expertise in development, manufacturing, and operations, we provide efficient and stable satellite operations.

Challenges in Conventional Satellite Operations

- Since the communication time between satellites and ground stations is determined by their orbits, operational support is required regardless of nights or holidays.
- Manual operations involve irregular working hours and impose significant human burden and costs to prevent operational errors.

Our Automatic Operation System

- The automatic operation system has been applied since the launch of GRUS-1A in 2018.
- The automatic operation system on the cloud performs most of the monitoring and operations of satellites unmanned.
- Implemented measures to prevent operational errors, such as having all commands sent to satellites generated by programs based on pre-set operation planning.
- Minor malfunctions occurring in satellites in orbit can be automatically recovered.
- We are also developing a function to automatically execute collision avoidance operations when the risk of collision with other objects becomes apparent.



Image of the microsatellite GRUS-1 orbiting the Earth at an altitude of 585km

Building a Proprietary Supply Chain

We select and utilize space-grade commercial off-the-shelf (COTS) components using our proprietary know-how, while promoting cost reduction for space-bound parts through joint development with external companies. By building a unique supply chain, we support the low-cost, short-lead-time development of microsatellites.

Proprietary Selection of Space-grade COTS Components

- Select space-grade components from COTS parts, taking into account harsh space environments such as vacuum, radiation, and significant temperature fluctuations.
- Contribute to the realization of low-cost, compact, and high-performance satellites by utilizing cutting-edge semiconductors and other technologies.

Constructing a Unique Supply Chain

- Construct a unique procurement and development network that combines COTS parts, externally procured items, and in-house developed products.
- Promote substitution and in-house production of long-lead-time components through joint development with external manufacturers.
- Lead to reductions in procurement lead times and costs.

Strengthening Competitiveness through Joint Development with External Companies

- Provide experience and know-how in space utilization to external manufacturers to promote the joint development of low-cost, short-lead-time space-bound components.

A prototype of a reaction wheel (a type of satellite attitude control system) currently under joint development with Shinano Kenshi Co., Ltd.



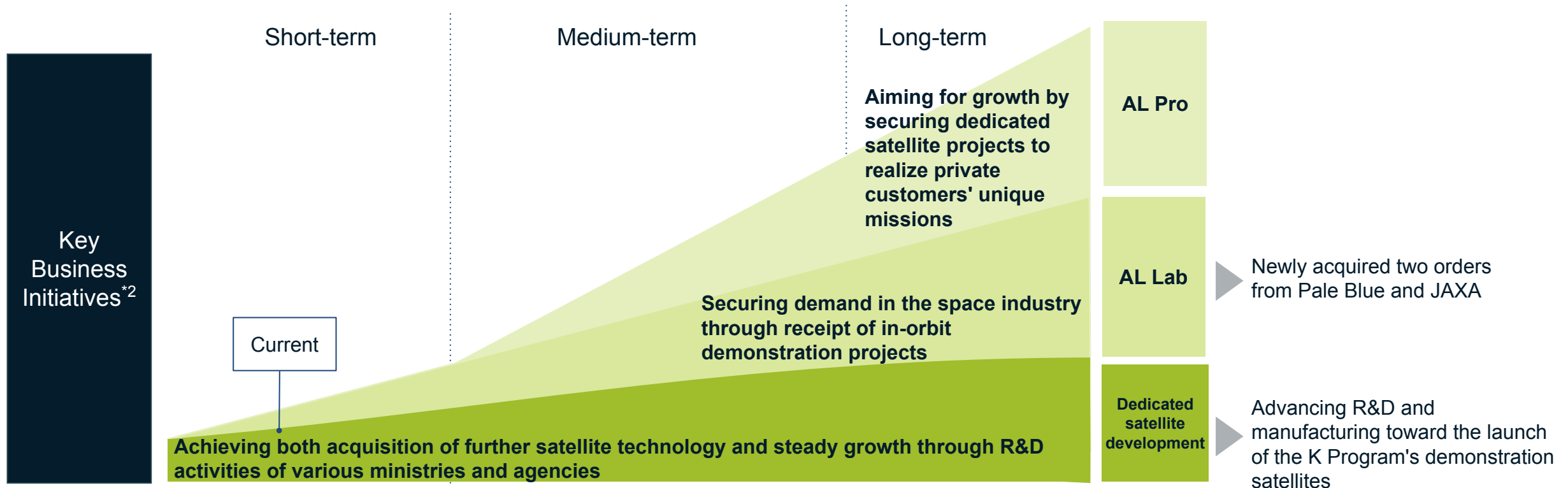


GRUS-3 with a flight pin attached

IV Growth Strategy

Progress of the AxelLiner Business in the Fiscal Year Ended May 2026^{*1}

Steady execution of R&D and manufacturing for the K Program, as well as the receipt of two new orders for AxelLiner Laboratory.

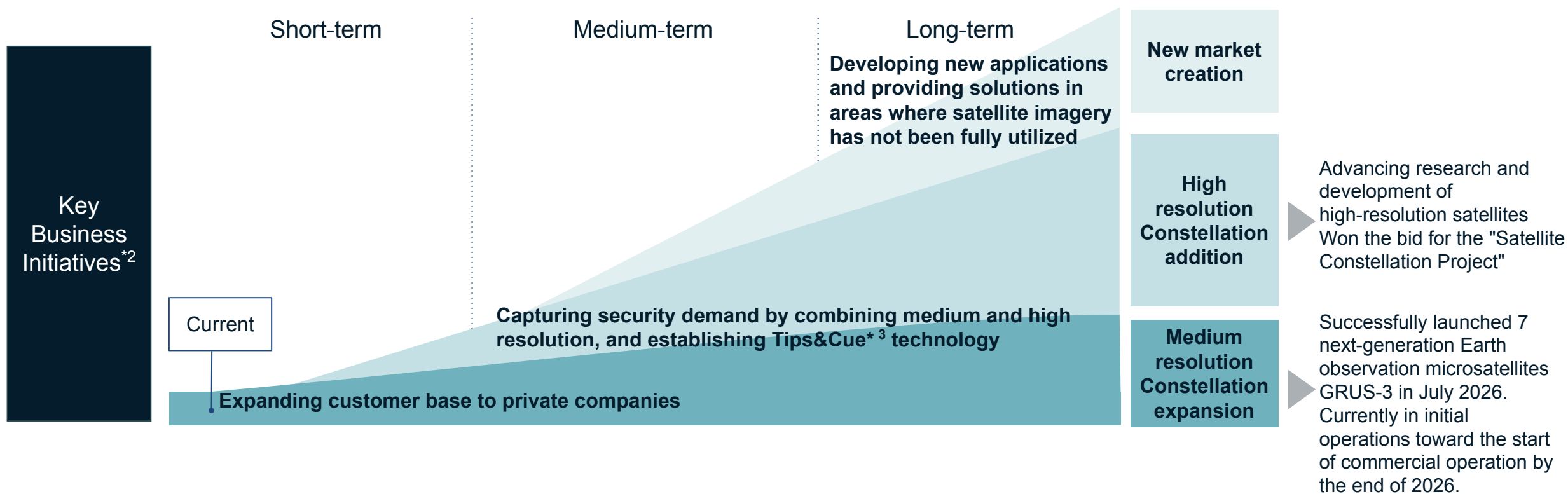


^{*1}: Includes information announced during the fiscal year ended May 2026 and up to the date of this presentation (August 31, 2026).

^{*2}: This is a medium- to long-term growth image of the AxelLiner Business and may differ from actual results.

Progress of AxelGlobe Business in FY Ended May 2026^{*1}

In addition to new orders for the Satellite Constellation Project, we have deployed the performance verification satellite GRUS-3α.
In July 2026, we deployed the medium-resolution satellite GRUS-3.



^{*1}: Includes information announced from the fiscal year ended May 2026 and up to the time of this presentation (August 31, 2026).

^{*2}: This is a medium- to long-term growth image of the AxelGlobe Business and may differ from actual results.

^{*3}: Tips&Cue refers to the coordinated operation of medium-resolution satellites and high-resolution satellites, where points of interest are identified and extracted from wide-area, high-frequency observation data, and detailed observations of those points are conducted using high-resolution observation data.

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

► Pages 35, 36, 50

2 Building a Strong Business Foundation for In-Orbit Demonstration Services

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

► Pages 37, 38

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**

► Page 39

4 Research and Development for Improving Satellite Performance

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

► Pages 40, 41

1 Improvement of Imaging Capability by Next-Generation Earth Observation Satellite GRUS-3

We are currently in initial operations for the 7 next-generation Earth observation microsatellites GRUS-3 launched in July 2026, aiming for the start of commercial operation by the end of 2026.



GRUS-1
5 satellites



GRUS-3
7 satellites

<Value Proposition of GRUS-3>

Timing

Observation frequency of the same location

Imaging possible once
every 2-3 days

At approx. the same time
daily imaging possible^{*1}

- Useful for fixed-point observation of daily changes in crop growth conditions, urban land changes, etc.
- Flexible response to emergency imaging such as during disasters

Data Volume

Imageable Area

750,000 km² per day

2.3 million km² per day

- Increased options for data used in analysis
- Wide-area observation data can be acquired in a shorter period

Ease of Use

Observation Bands

Blue, Green, Red, Red Edge,
Near-Infrared

Blue, green, red, red edge,
near-infrared, **coastal blue**

- Improved image quality and additional observation bands meet more diverse analysis needs

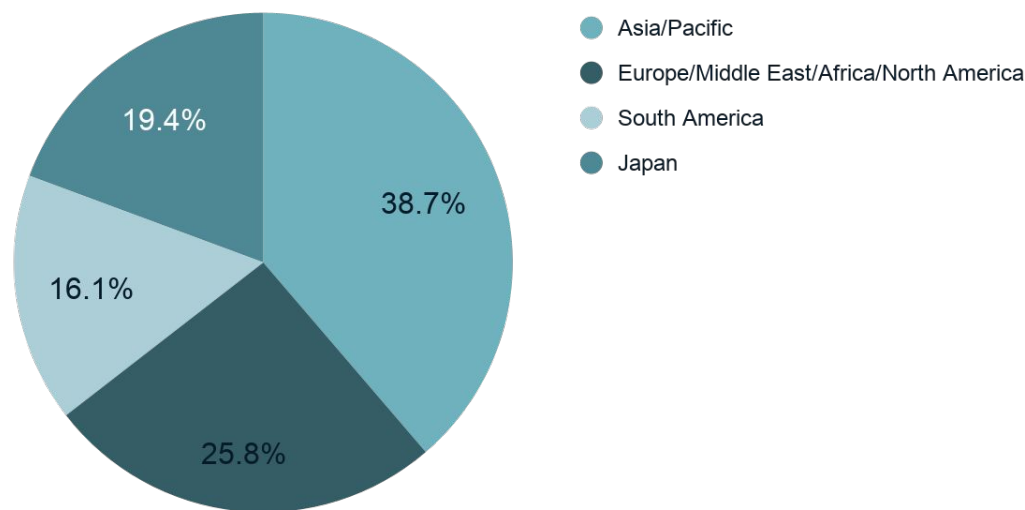
^{*1}: For locations at latitude 25 degrees north or higher

Note: The development and demonstration of the versatile satellite bus system carrying the missions of GRUS-3 and GRUS-3α are supported by the following grant program of the New Energy and Industrial Technology Development Organization (NEDO). "Space Industry Technology and Information Infrastructure Development R&D Project (Development and Demonstration of General-Purpose CubeSat and Microsatellite Buses) / Demonstration of One-Stop Service of Small Satellite Constellation" (FY2023-2026) *FY2021-2022 were implemented as direct execution projects by the Ministry of Economy, Trade and Industry.

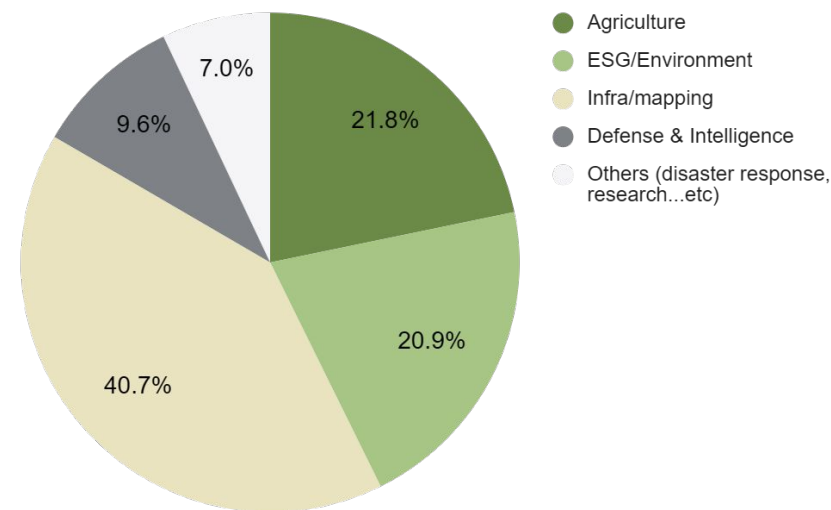
1 Conducting Sales Activities focusing on Companies that Have Submitted an LOI

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.

Companies that Have Signed an LOI (by Location)



Companies that Have Signed an LOI (by Sector)



(As of the end of June 2026)

LOI: Letter of Intent

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

*LOI (Letter of Intent) is an agreement document intended to confirm a customer's intention regarding adoption and purchase, and does not define specific order details.

2 Building a Strong Business Foundation for In-Orbit Demonstration Services

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)	Fundamental research for high-maneuverability electric propulsion for spacecraft

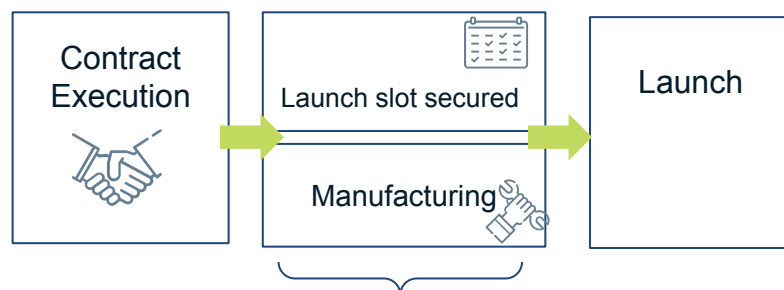
2 Building a Strong Business Foundation for In-Orbit Demonstration Services

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>

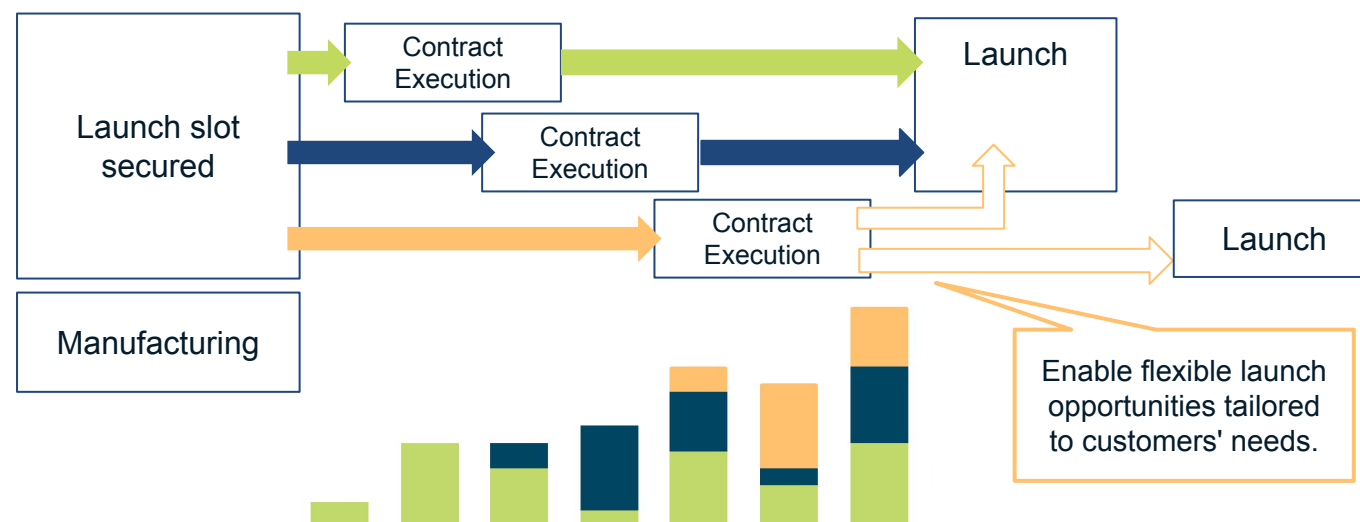


If launch slots are congested, there is a possibility that it will take time to secure a slot.

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 ride sharing 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>

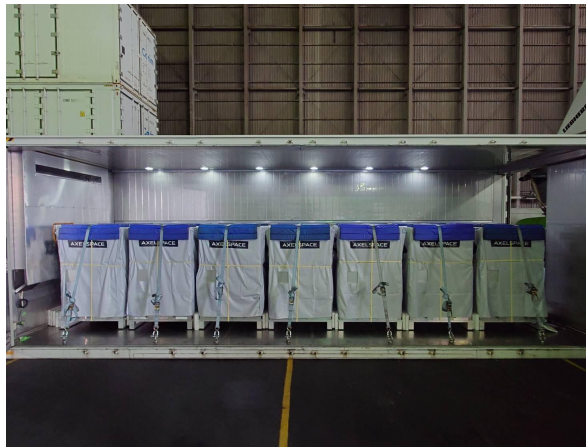
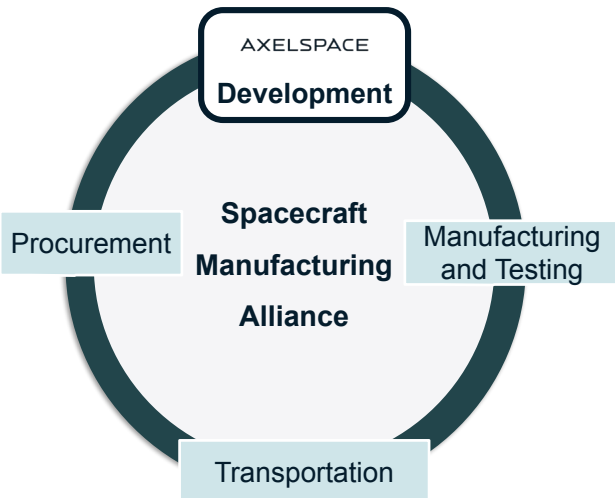


3 Annual Manufacturing Capacity and Production System (Current Status and Expansion Plan)

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.

4 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>

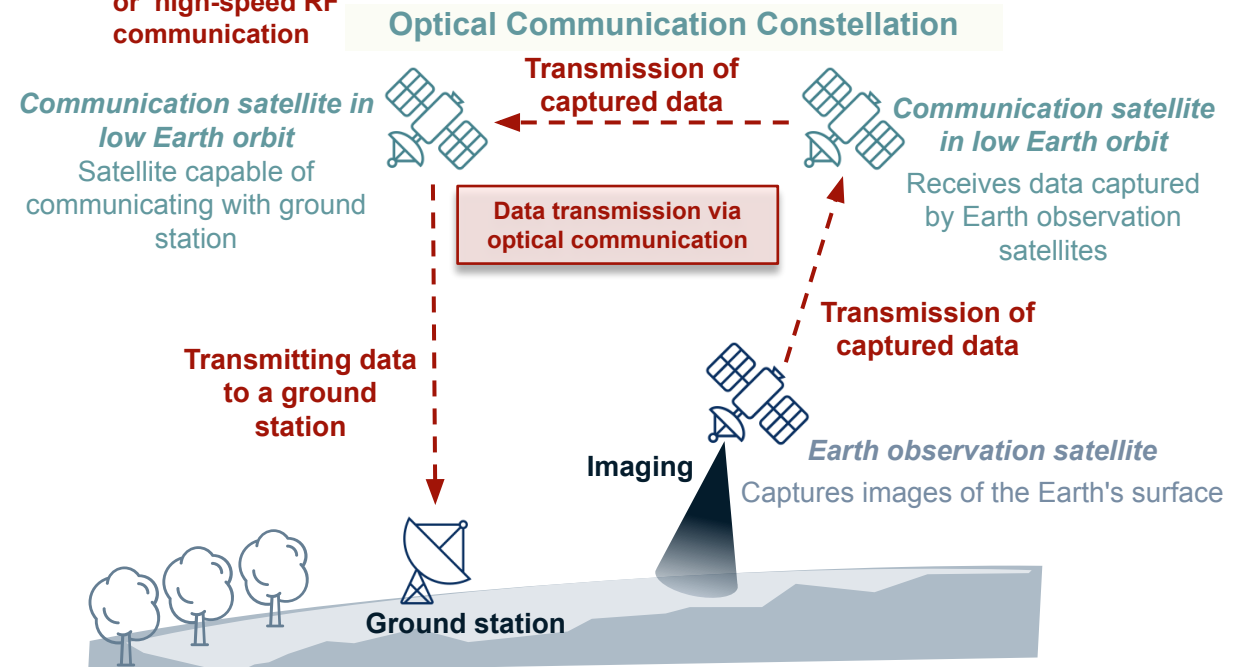
- Normally, radio waves (RF) are used for communication between satellites or between satellites and ground stations, but satellite optical communication uses laser beams for data transmission.
- Because laser beams must be accurately transmitted and received between satellites moving at high speeds 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.

Earth Observation Mechanism Targeted 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

--> : Optical communication
or high-speed RF
communication



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

Source: Cabinet Secretariat "Outline of the Japan's Growth Strategy" (July 2026), JAXA website "Research on Optical Satellite Communication Technology", Cabinet Office and Ministry of Economy, Trade and Industry

"Research and Development Concept (Project Type) for Development and Demonstration of Satellite Constellation Infrastructure Technologies such as Optical Communications" (October 2022 (revised April 2025)), prepared by the Company.

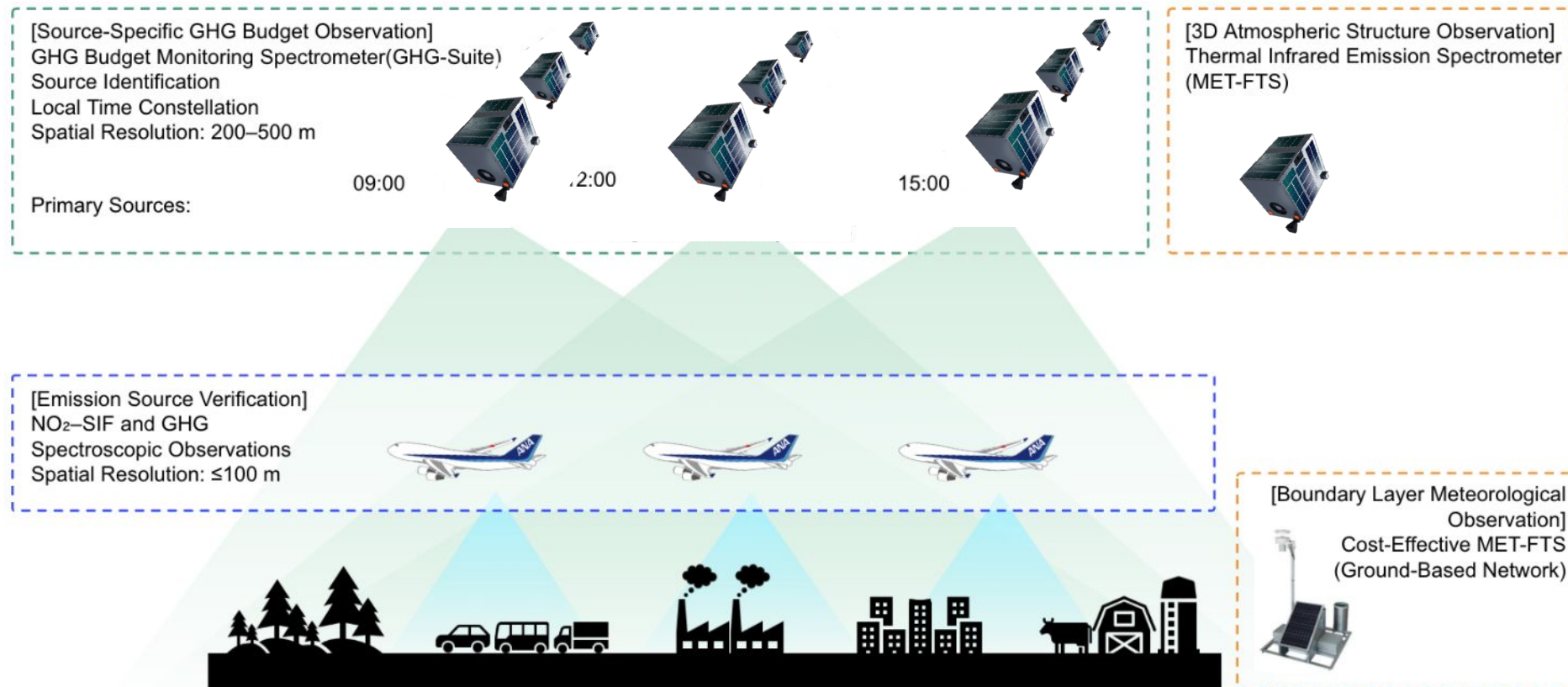
4

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>



Note: 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.

Satellite Development Roadmap 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

	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 2029	FY Ending May 2030	FY Ending May 2031
AxelLiner Business							
Government agency projects			<u>2 satellites</u> K Program <u>1 satellite</u> JAXA-STEPS* ¹ (AL Lab)				
Private enterprise projects			<u>1 satellite</u> In-Orbit Demonstration (AL Lab)	<u>2 satellites</u> In-Orbit Demonstration (AL Lab)		<u>Satellites used for AxelLiner Business</u> <u>AL Lab regular service</u>	Sequential launches* ⁴
AxelGlobe Business							
Medium resolution	 1 satellite launched* ² GRUS-3α	 7 satellites launched* ³ GRUS-3					
High resolution			<u>3 satellites</u> to be launched	<u>2 satellites</u> to be launched		<u>18 satellites</u> 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, 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 68 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. The launch is currently expected to take place in FY2028, based on the fiscal year of the implementing organization.

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

*3: The seven GRUS-3 satellites launched on July 7, 2026 are currently undergoing initial operations and, as of the date of this presentation, are therefore not 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.



Mission patch for GRUS-3

V Profit Plan and Financial & Capital Policy

Overview of Consolidated Statements of Income

Key Management Indicators

Formula

FY Ended May 2026

(Unit: million yen)

Total Revenue (Non-GAAP)		A+F1	2,995	Total revenue from all of the Company's projects
	Revenue	A	2,508	Total revenue from the Company's contracted projects (excluding subsidy projects)
	Subsidy income	F1	487	Subsidy income from government agencies, etc.

Consolidated Statements of Income

A Revenue			2,508	Total revenue from the Company's contracted projects (excluding subsidy projects)
B Cost of sales			1,710	Material, personnel, outsourcing, and other costs for contracted projects, excluding subsidy projects
C Gross profit		A-B	797	Gross profit from the Company's contracted projects
D Selling, general and administrative expenses	R&D expenses		2,673	Material, personnel, outsourcing, and other costs related to in-house R&D, including subsidy projects
	Personnel costs		942	Personnel costs for sales and administrative departments
	Other		1,004	Rent, outsourcing costs, etc.
E Operating income (loss)		C-D	-3,822	Total revenue and expenses from operating activities
F Non-operating income	F1 Subsidy income		487	Subsidy income from government agencies, etc.
	F2 Other		26	Interest income, foreign exchange gains, etc.
G Non-operating expenses			403	Interest expense, stock issuance costs, etc.
H Ordinary profit (loss)		E+F-G	-3,712	Amount calculated by adding non-operating income such as subsidy income and subtracting non-operating expenses such as interest expense from operating income

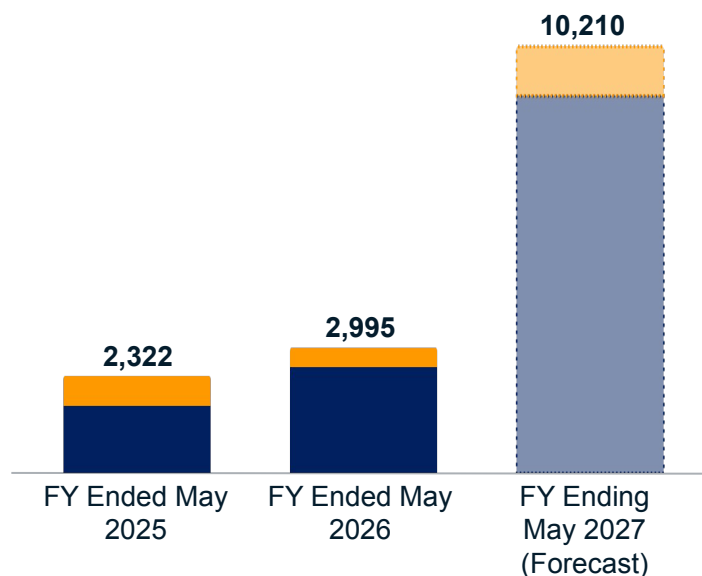
FY Ending May 2027 Financial Forecast (Consolidated)

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)

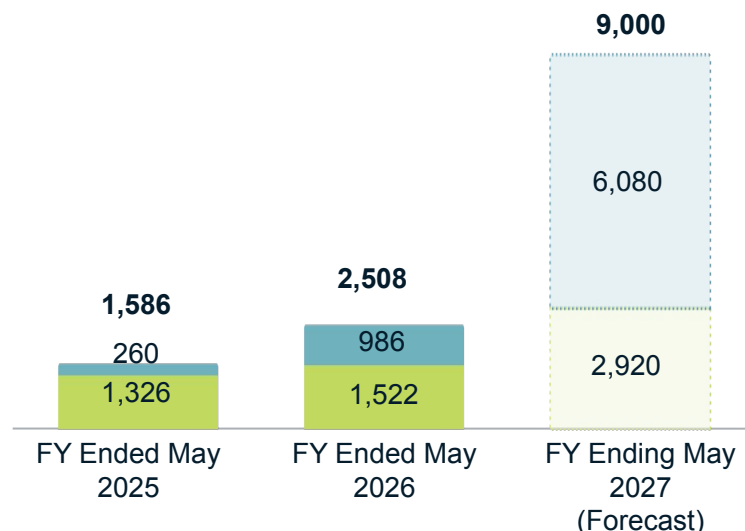
■ Revenue ■ Subsidy income



Revenue by Segment

(Unit: million yen)

■ AxelLiner Business ■ AxelGlobe Business

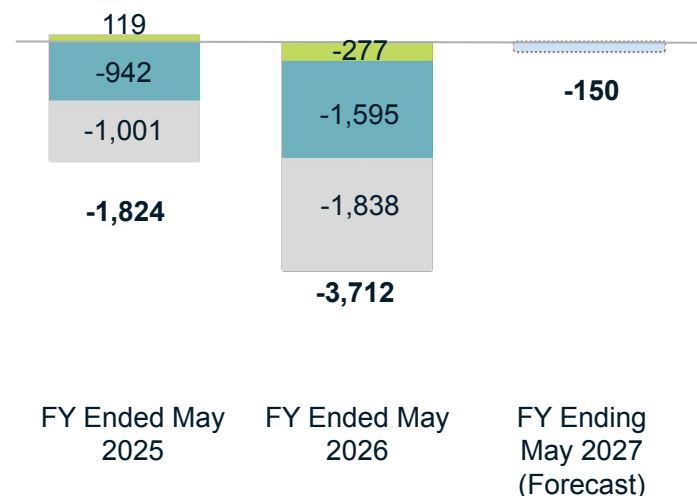


Segment Profit^{*2,3}

(Unit: million yen)

■ AxelLiner Business ■ AxelGlobe Business

■ Adjustments^{*4}



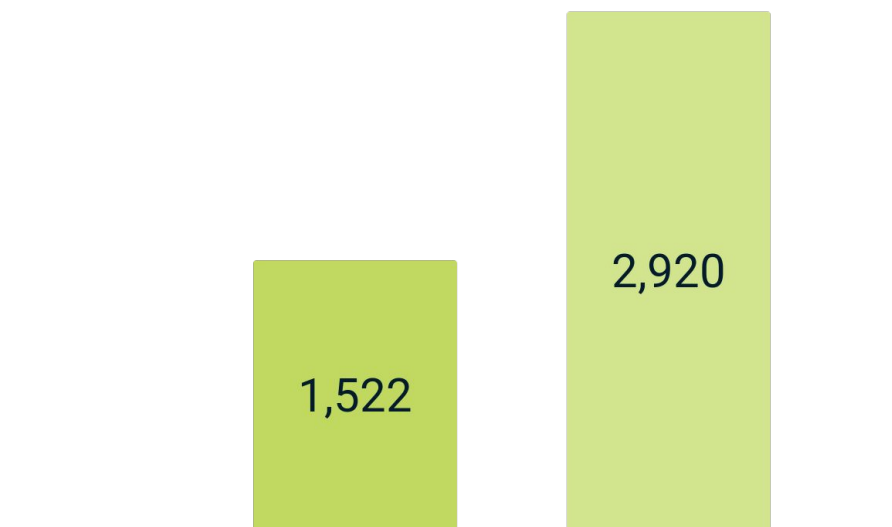
*1: Total revenue is a Non-GAAP measure and is a financial indicator that the Company considers useful for investors in evaluating the performance of the Group. It is calculated by adding subsidy income from government agencies and other sources to revenue.

*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.

Financial Forecast by Segment: AxelLiner Business

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



(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.

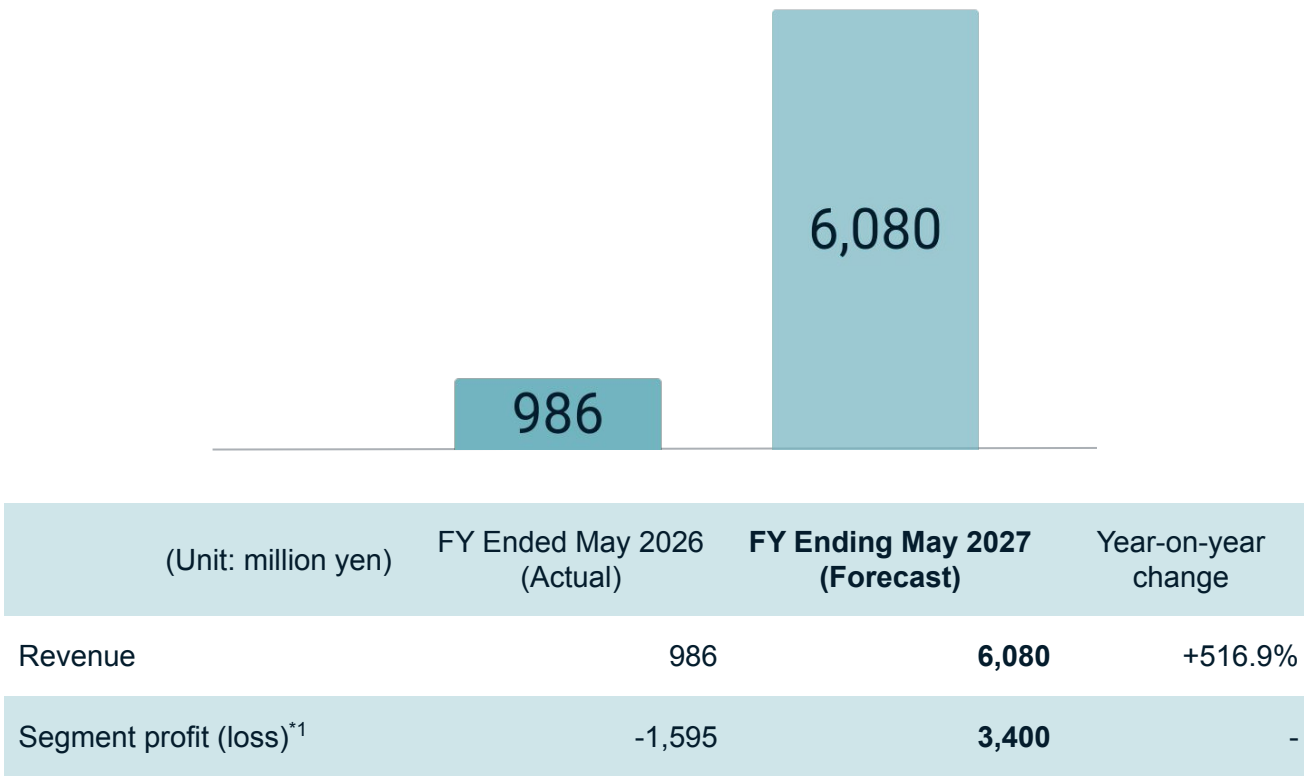
Segment profit or loss ^{*1}

- 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 FY ending May 2027, we plan to steadily advance government-related projects and commence commercial operations of the seven GRUS-3 satellites.



[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.

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

Major Pipeline (As of the end of May 2026)

Contracted Projects

Business	Customer		Project ^{*1*2}	Accounting Item	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) Development and Demonstration of Satellite Constellation Infrastructure Technologies such as Optical Communication	Revenue	to FY Ending May 2032
AxelLiner Business (AL Lab)	Private company	Pale Blue Inc.	In-orbit demonstration service agreement for a hall thruster	Revenue	Multiple years from December 16, 2025
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	Project Expected Period ^{*1,2,3}
AxelLiner Business (AL Lab)	Government agency	Japan Aerospace Exploration Agency (JAXA)	Provision of high-maneuverability electric propulsion for spacecraft for fundamental research and in-orbit experiments ^{*5}	Revenue	Approximately 4 years from FY 2026
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)	Approximately 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 (commissioned)	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 (commissioned)	Revenue	Scheduled through the end of September 2030

Note: This page contains forward-looking information. Please refer to page 68 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, 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.

*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, 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.

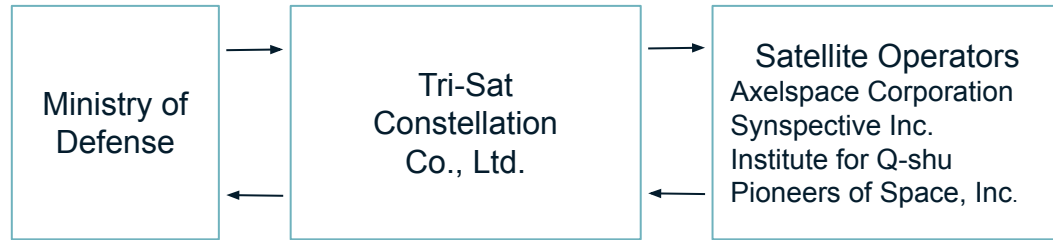
*4: The project under this item is not included in the order backlog as of the end of FY Ended May 2026.

*5: This project was contracted on June 30, 2026.

Major Project: 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 (without tax).^{*1} Provision of services commenced as scheduled in April.

Project Overview



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}

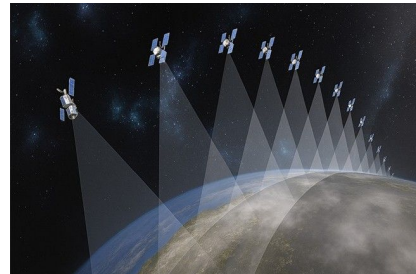


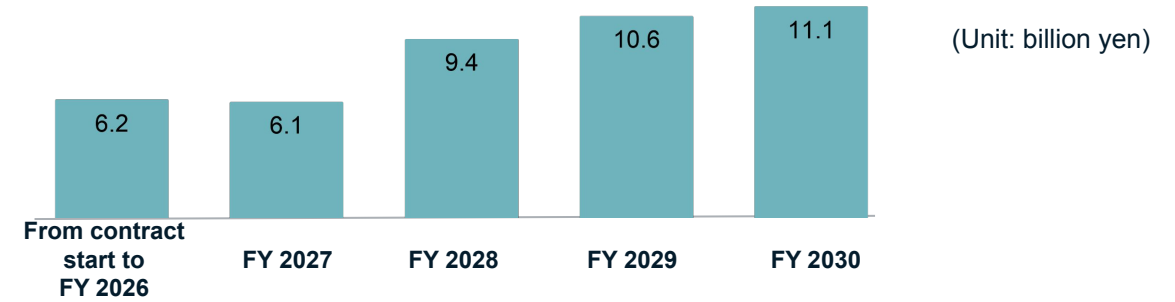
Image of satellite constellation © Ministry of Defense

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 68 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.

Projected Revenue by Fiscal Year for the Group (without 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 (without tax) ^{*1}

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.

Funding Policy for Satellite Constellation Expansion

Secure growth investment capital by flexibly utilizing operating cash flow, debt, and equity, while considering financial health and dilution. Funds required for satellite manufacturing and launch from FY Ending May 2029 onwards will be secured in stages according to business progress and funding needs.

Satellite Constellation Development Plan and Funding Needs Image

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	Manufacturing Launch						3,250 million yen	3,221 million yen	Allocated from IPO proceeds
High-resolution satellites	3	R&D / Manufacturing Launch						6,700 million yen	1,532 million yen	Allocated from IPO proceeds
High-resolution satellites* ¹	2	Manufacturing Launch								To be secured in stages
Medium- and high-resolution satellites* ¹	18			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 68 for assumptions, limitations, constraints, and risks regarding forward-looking information.

*1: Funds required for satellites scheduled for launch from FY Ending May 2029 onwards will be secured in stages based on business progress and funding needs.

*2: Manufacturing and launches are planned to proceed in stages, taking into account business progress, market demand, and other relevant factors.



Axelspace members watching the launch of GRUS-3

VI Initiatives Supporting Sustainable Growth

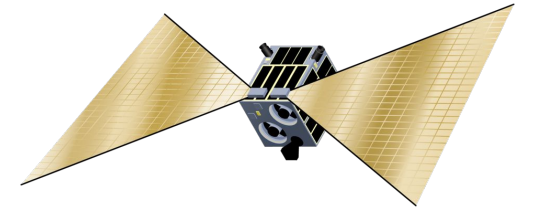
Sustainability Initiatives

Emphasizing responsibility for both the Earth and space environments, we promote the reduction of environmental impact throughout the satellite lifecycle based on our own unique standards.

Initiatives for Forming International Rules through the Revision of the "Green Spacecraft Standard"



- Formulated the "Green Spacecraft Standard," an in-house standard for space sustainability, in 2023. It sets standards one level higher than international guidelines, covering the entire lifecycle from satellite planning and design to manufacturing, operations, and disposal.
- Applied these standards to the development processes of PYXIS, GRUS-3α, and GRUS-3, accumulating knowledge regarding their effectiveness and challenges through actual satellite development and operations.
- Commenced research for the revision of the "Green Spacecraft Standard" in collaboration with Gakushuin University. We are promoting the advancement of more effective standards based on international research, regulations, and standardization trends. Furthermore, we are contributing to the improvement of sustainability across the entire space industry by advancing our in-house standards and participating in the formation of international rules.



Deployable Membrane Deorbit Device (D-SAIL)

Design

Design to ensure no remnants remain upon re-entry when selecting materials and determining shapes



Manufacturing

Establish common guidelines within the alliance for procurement and manufacturing processes



Operation

Conduct active collision avoidance operations in orbit and actively disclose information



Disposal

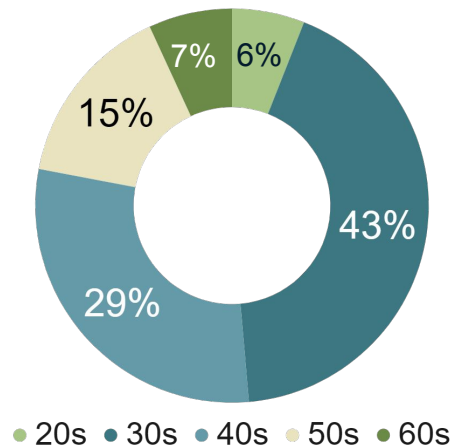
Dispose of satellites out of orbit with the highest possible success rate and in the shortest period after end of operation



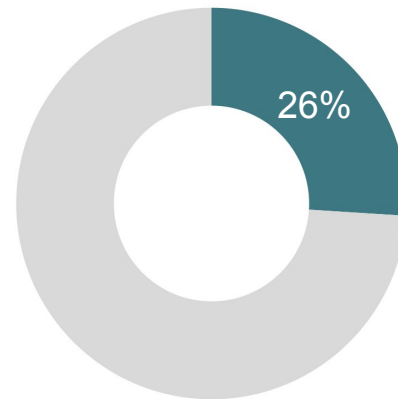
Human Resources Strategy Supporting Business Growth

To achieve sustainable business growth, we promote the recruitment and development of personnel who resonate with our Group's Vision and Mission and possess high motivation, expertise, and diverse knowledge and experience. Leveraging our organizational foundation where talent from 26 countries with diverse backgrounds thrives, we are advancing the development of next-generation leaders and building an organization where diverse talent can demonstrate their capabilities.

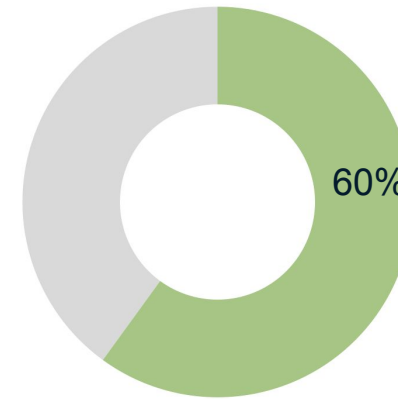
Employee Age Distribution



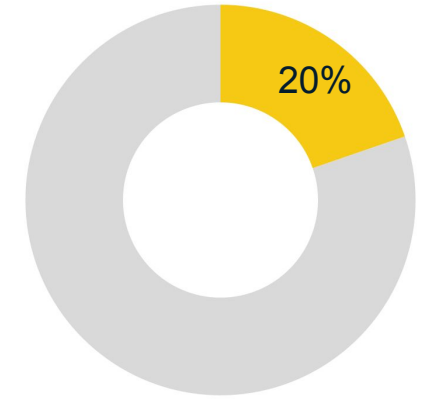
Percentage of Non-Japanese Employees



Percentage of Engineers



Percentage of Female Employees



(As of May 31, 2026)

Human Resources Strategy

- **Recruitment and Development of Specialized Talent** : We secure personnel with advanced specialized knowledge, skills, and broad capabilities, while promoting continuous growth through the provision of work experience and learning opportunities.
- **Recruitment of Diverse Talent** : Based on the belief that diverse knowledge, experience, and values lead to new value creation, we promote hiring that emphasizes diversity regardless of nationality, gender, age, etc.
- **Development of Next-Generation Leaders** : With the expansion of our business and organization, we clarify the roles and responsibilities required at each level and develop next-generation leaders who will support future organizational growth.
- **Building an Organization that Supports Active Participation** : Through grading and evaluation systems, communication with employees, etc., we promote employee growth, the demonstration of high performance, and the improvement of engagement.

Strengthening Compensation Governance for Sustainable Corporate Value Enhancement

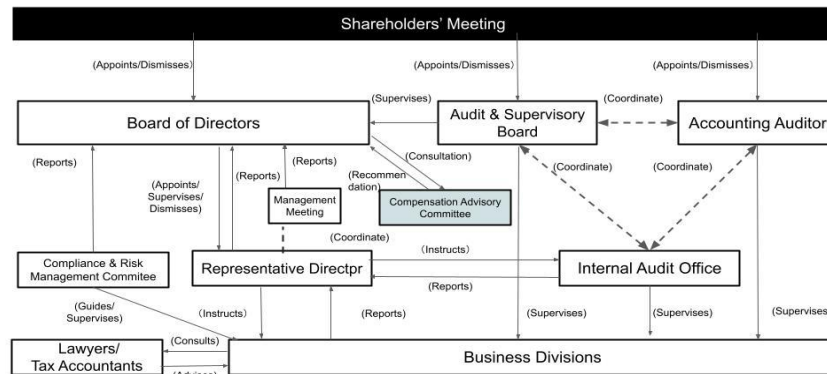
Establish a globally competitive compensation system through a stock-based compensation plan to provide incentives for long-term corporate value enhancement. Ensure transparency and objectivity in system operation through a Compensation Advisory Committee and promote appropriate compensation governance.

Establishment of Compensation Advisory Committee

Objective: In conjunction with the introduction of a stock-based compensation plan that further promotes the sharing of value and risks with shareholders, we aim to strengthen the independence, objectivity, and accountability of the compensation determination process for Directors, etc., and to further enhance corporate governance by building a highly transparent and fair compensation governance structure.

Composition: Composed of at least three Directors, with a majority being Independent Outside Directors. The Chairperson is selected from among the Independent Outside Directors.

Role: Deliberate, decide, and advise on compensation systems, compensation policies, and individual compensation for Directors and Executive Officers, and support the decision-making of the Board of Directors.



Introduction of Stock-based Compensation Plan

[Introduction of Restricted Stock Units (RSU)]

Objective:

- Provide incentives for long-term corporate value enhancement
- Promote long-term value and risk sharing with shareholders by delivering shares after a certain period
- Contribute to securing excellent management talent through the development of a competitive compensation system

Eligible: Directors (including Outside Directors) and Executive Officers of the Company, and Directors and Executive Officers of consolidated subsidiaries

[Introduction of Performance Share Units (PSU)]

Objective:

- Strengthen incentives for achieving long-term group performance goals and enhancing corporate value
- Deliver shares after the fact based on the degree of achievement of goals during the performance evaluation period
- Further promote the sharing of value and risks with shareholders

Eligible: Directors (excluding Outside Directors)



GRUS-3 mounted on Falcon 9 (top of photo) ©SpaceX

VII Risks and Countermeasures

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

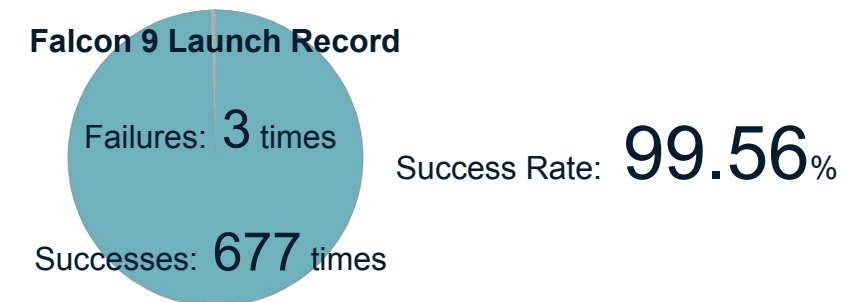
Technological innovation led by the private sector is progressing, and rocket launch technology has matured. At present, launches are successful with a very high probability. In addition, we obtain space insurance for the launch of Company-owned satellites.

LSP Selection Policy

- Regardless of whether the missions are for customers or the Company, we estimate the development process and required period, and **determine the desired launch schedule from an 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 launch frequency and reliability**, currently **SpaceX** is prioritized
- We continue to communicate with multiple launch providers to ensure launches are realized in accordance with our business plan
- Launch slots for **8 satellites** scheduled for future launch have been secured (as of August 20, 2026)

Important LSP Launch Records

- The Company mainly uses **SpaceX's Falcon 9**
- At this point*¹, **the success rate is 99.56%**, which is extremely high
- In addition, regardless of whether it is a customer mission or a Company mission, we usually obtain **space insurance**
- Even if a satellite is completely lost due to a launch failure, the insurance proceeds **can cover the majority of development and launch costs**



*1: As of August 20, 2026
Source: SpaceXNow

Major Risk: Response to Satellite Malfunction in Orbit

In the event of a malfunction, we first attempt to maintain and restore functionality through operational responses for the satellite. If such response is difficult, we proceed to build a system to substitute and supplement it using a satellite constellation consisting of multiple units.

Past Response to Malfunction (GRUS-1E) ^{*1}

[Occurrence of malfunction] December 20, 2024

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

[Examination of the impact on customers]

Confirmed that data provision can be handled by the operation of the other four satellites.

[Recovery work]

Reduced angular momentum by applying other attitude control methods.

[Recovery validation]

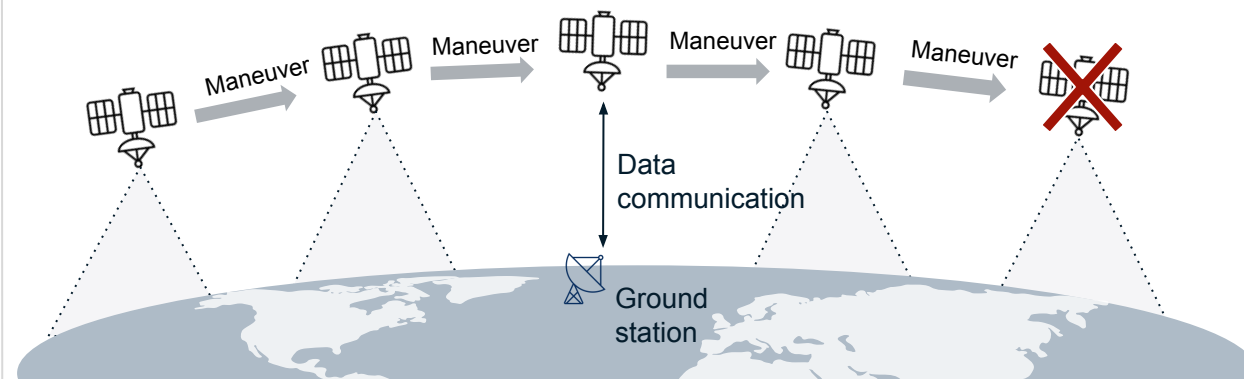
Verified whether normal operation is possible with the angular momentum reduced. **Confirmed that imaging, communication, and image generation can be performed as usual.**

[Resumption of commercial operation] January 13, 2026

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

Response through the Construction of a Satellite Constellation

- A satellite constellation is a system that launches multiple satellites and operates them as an integrated unit for business and other purposes.
- By operating multiple satellites, it is possible to provide coverage with other satellites even if the operation of one satellite becomes difficult.



^{*1}: For details, please refer to the ["Resumption of Commercial Operations of Microsatellite GRUS-1E in AxelGlobe"](#) released on January 13, 2026, and the ["Termination of Commercial Operations of Microsatellite GRUS-1E in AxelGlobe"](#) released on July 27, 2026.

Key Risks: Licenses and Regulatory Compliance Required for Business

Satellites operated and manufactured in the AxelGlobe Business and Axelliner Business are subject to domestic and international laws and regulations. For the launched GRUS-1, GRUS-3α, and GRUS-3, the necessary licenses and permits, including those listed below, have been obtained.

<Major Licenses and Permits Related to the Group's Business Activities>

Name of License/Permit	Regulatory Agency	Requirements for Violation of Laws and Regulations and Major Grounds for Revocation of Licenses
Satellite Management License	Cabinet Office	Revocation of license in the event of obtaining approval through fraudulent means or violation of disqualification clauses for officers, etc.
Radio Station License (Experimental Station)	Ministry of Internal Affairs and Communications	Revocation of license (foreign ownership regulation) if one-third or more of the representatives or officers of the licensee, Axelspace Corporation, or one-third or more of the voting rights are held by persons who do not possess Japanese nationality or by foreign corporations. The Company has confirmed with the Ministry of Internal Affairs and Communications that the parent company, Axelspace Holdings Corporation, is not subject to these foreign ownership regulations.
Space Object Registration	Cabinet Office	Although not a ground for revocation, a change notification is required under the "Manual for Notification Related to Space Object Registration" in the event of radio silence, de-orbiting, or re-entry.
General Bulk Service Transaction Permit	Ministry of Economy, Trade and Industry	Revocation of permit if the permit conditions are no longer met or if deemed necessary from the perspective of maintaining national peace and security.
General Bulk Export/Service (Programs for Use) Transaction Permit	Ministry of Economy, Trade and Industry	Same as above

Note: For details on the risks described in this document, please refer to the "Business Risks" section of the [Securities Report for the fiscal year ended May 2026](#) (Japanese only) disclosed on August 26, 2026.

Key Risks and Mitigation Strategies in Business Execution

			Likelihood of Occurrence	Timing of Occurrence	Impact
Slowdown in Growth of Satellite Imagery Service Market	Risk Description	While the satellite imagery and service market is expected to grow, there is a possibility that the market and demand may not expand as anticipated due to economic trends, government budgets, regulations, and the advancement of alternative technologies.	Low	No specific timing	High
	Mitigation Strategy	In addition to developing new customers who have not previously used satellite imagery, we will promote the creation of new use cases and the provision of solutions for existing customers to expand the base of demand.			
Competition	Risk Description	As the construction of satellite constellations and new market entries for small Earth observation satellites progress domestically and internationally, there is a possibility that our competitiveness may decline due to technological innovation, high value-added services, and price competition from competitors.	Medium	No specific timing	Medium
	Mitigation Strategy	We will leverage the technology and know-how accumulated through the development, manufacturing, and operations of microsatellites, while maintaining and improving our competitive advantage through continuous research and development and the expansion of solutions tailored to customer needs.			
Possibility of Delays in Expected Orders for the AxelLiner Business	Risk Description	If the technology demonstration and mass production of the versatile satellite bus, satellite development by customers, or the transition from MOUs to final contracts do not progress as expected, the full-scale revenue growth of the AxelLiner Business may be delayed.	Medium	Within 3 years	High
	Mitigation Strategy	We will proceed with the technology demonstration of the versatile satellite bus through GRUS-3α, GRUS-3, etc., while continuing development for standardization and mass production, as well as the concretization of projects with customers and collaboration with partners.			
Government Agency Customers	Risk Description	For the time being, government-related projects are expected to account for the majority of revenue, and there is a possibility that revenue may fluctuate due to national budgets, policies, project changes/cancellations, or the loss of subsequent phases.	Medium	No specific timing	High
	Mitigation Strategy	While continuing to build relationships with government agencies, we will work to acquire domestic and international private-sector customers in both the AxelLiner and AxelGlobe businesses to diversify our customer and revenue sources.			

Note: For details on the risks described in this document, please refer to the "Business Risks" section of the [Securities Report for the fiscal year ended May 2026](#) (Japanese only) disclosed on August 26, 2026.

Key Risks and Mitigation Strategies in Business Execution

			Likelihood of Occurrence	Timing of Occurrence	Impact
Developmental Delays	Risk Description	If research and development of satellites, versatile satellite bus systems, satellite data utilization promotion systems, etc., take longer than expected or fail, the start of services and customer projects may be delayed, potentially resulting in additional costs and opportunity losses.	Medium	No specific timing	High
	Mitigation Strategy	We will continuously manage the progress of key technology development at the management level, while also identifying development issues early and reviewing schedules and resources in a timely manner.			
Supply chain	Risk Description	Satellite development and manufacturing may be delayed due to shortages of long-lead or rare parts, declines in supplier production capacity, or issues with technology transfer or manufacturing processes.	Medium	No specific timing	Medium
	Mitigation Strategy	We will strive to stabilize our supply and manufacturing systems by securing multiple procurement sources, continuously monitoring procurement and delivery status, and collaborating and standardizing with manufacturing partners.			
Satellite Launch ▶ See page 56	Risk Description	Given the limited availability of rockets and launch opportunities, launches may be delayed or fail due to circumstances involving launch providers, accidents, weather, geopolitics, or export controls, which could impact the start of services or demonstration plans.	Medium	No specific timing	High
	Mitigation Strategy	In addition to selecting providers based on their track record and launch frequency, securing multiple launch opportunities, and maintaining continuous coordination with launch providers, we will utilize launch insurance to mitigate losses.			
Satellite Failure in Orbit ▶ See page 57	Risk Description	Manufacturing malfunctions, space radiation, solar activity, space debris, etc., may cause satellite performance to degrade or stop, potentially leading to an inability to provide image data, reduced revenue, or impairment of non-current assets.	Medium	No specific timing	High
	Mitigation Strategy	We will conduct design and testing that reflects our many years of satellite development and operations know-how, and build a constellation of multiple satellites to establish a system capable of supplementing imaging and services in the event of a failure.			

Note: For details on the risks described in this document, please refer to the "Business Risks" section of the [Securities Report for the fiscal year ended May 2026](#) (Japanese only) disclosed on August 26, 2026.



Appendix

Testing data of a mountainous region in Okayama Prefecture, captured for the first time by GRUS-3

Company Overview

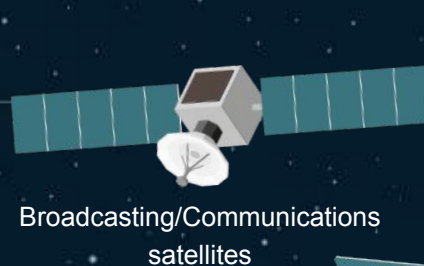
Company Name	Axelspace Holdings Corporation
Location	3-3-3 Nihonbashi Honcho, Chuo-ku, Tokyo
Establishment	Established in March 2020 *Predecessor company, Axelspace Corporation, was established on August 8, 2008
Capital Stock	Consolidated 4,103 million yen (as of end of May 2026)
Total Number of Issued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



Characteristics of Earth Observation by Altitude and Business Domain of AxelGlobe Business

Geostationary Earth Orbit Satellites

Observation range	Approx. 1/3 of the Earth's surface	Ground resolution	Approx. 500 m to 2 km
Homogeneity	○	Accessibility	○



Geostationary Earth Orbit (GEO)
Altitude: 36,000 km

Our Business Domain

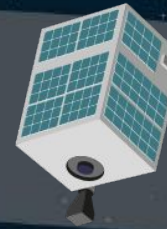
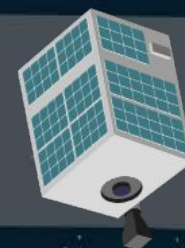
Low Earth Orbit Satellites

Observation range	Observation width: approx. several km to 2,000 km
Ground resolution	Approx. 30 cm to 100 km
Homogeneity	○
Accessibility	○

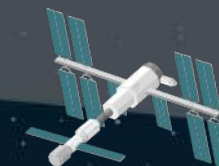
Positioning satellites (GPS, etc.)

Medium Earth Orbit (MEO)
Altitude: 2,000 to 35,786 km

Altitude of Axelspace's satellites GRUS: 500 to 600 km



Low Earth Orbit (LEO)
Altitude: 160 to 2,000 km



Altitude: 10 km

Aircraft

Observation range	Approx. 1 to 100 km²	Ground resolution	Approx. 3 cm to 1 m
Homogeneity	△	Accessibility	×



Altitude: 10 km

Drone

Observation range	Approx. 0.1 km²	Ground resolution	Approx. 1 cm
Homogeneity	×	Accessibility	×



Altitude: 150 m

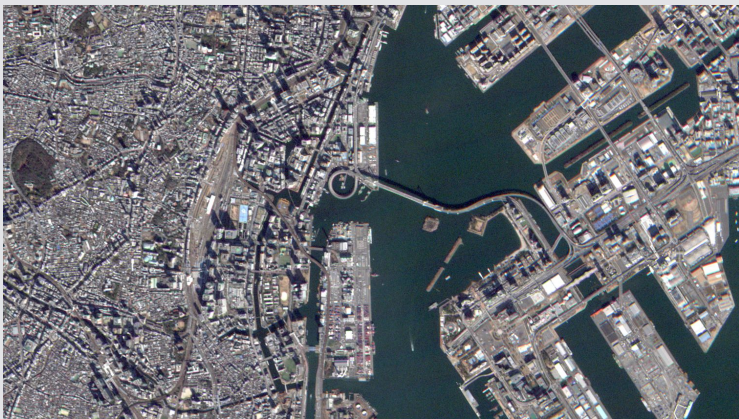
Homogeneity: Whether repeated imaging of the same location and angle is possible with the same sensor.

Accessibility: Presence or absence of restricted airspace.

Source: Prepared by the Company based on information from the Consortium for Satellite Earth Observation (CONSEO) "CONSEO REPORT Basic Edition"

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

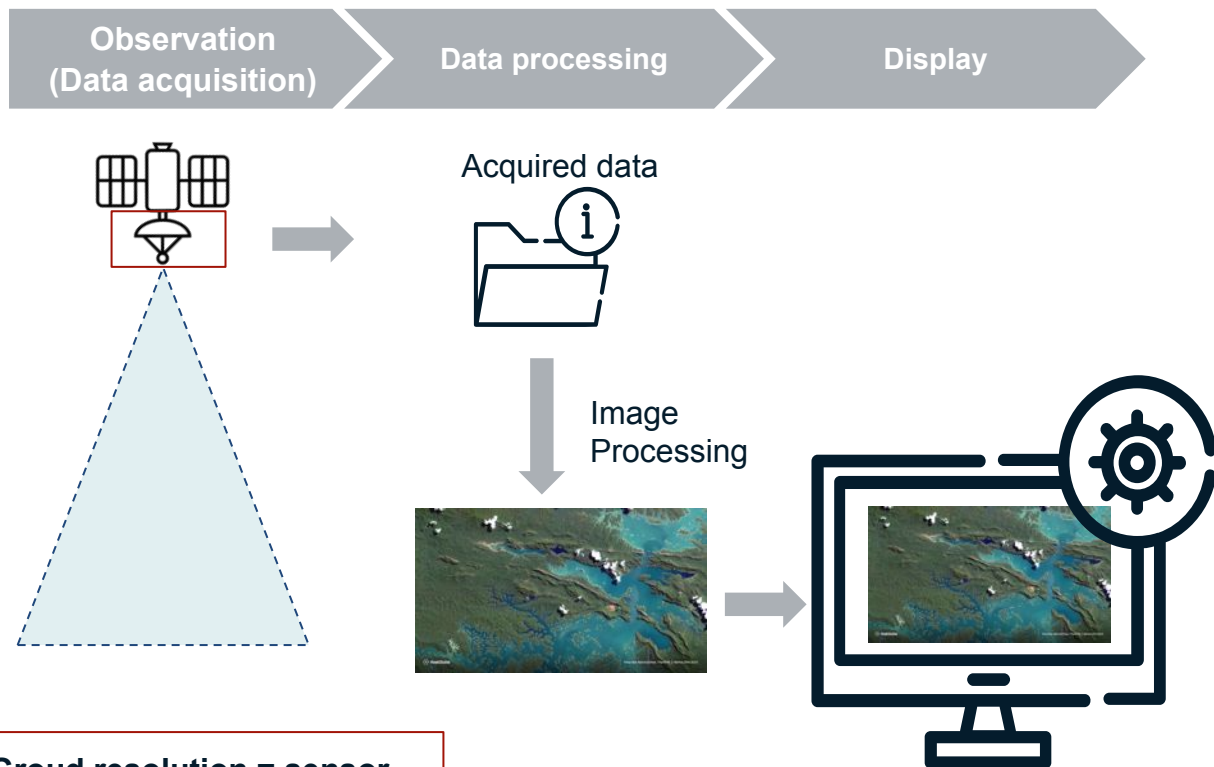
*1: Area that can be imaged per satellite per day. This is a comparison assuming similar satellite sizes.

*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.

Difference between Medium Resolution and High Resolution

Image Resolution and Ground Resolution



Ground resolution = sensor performance

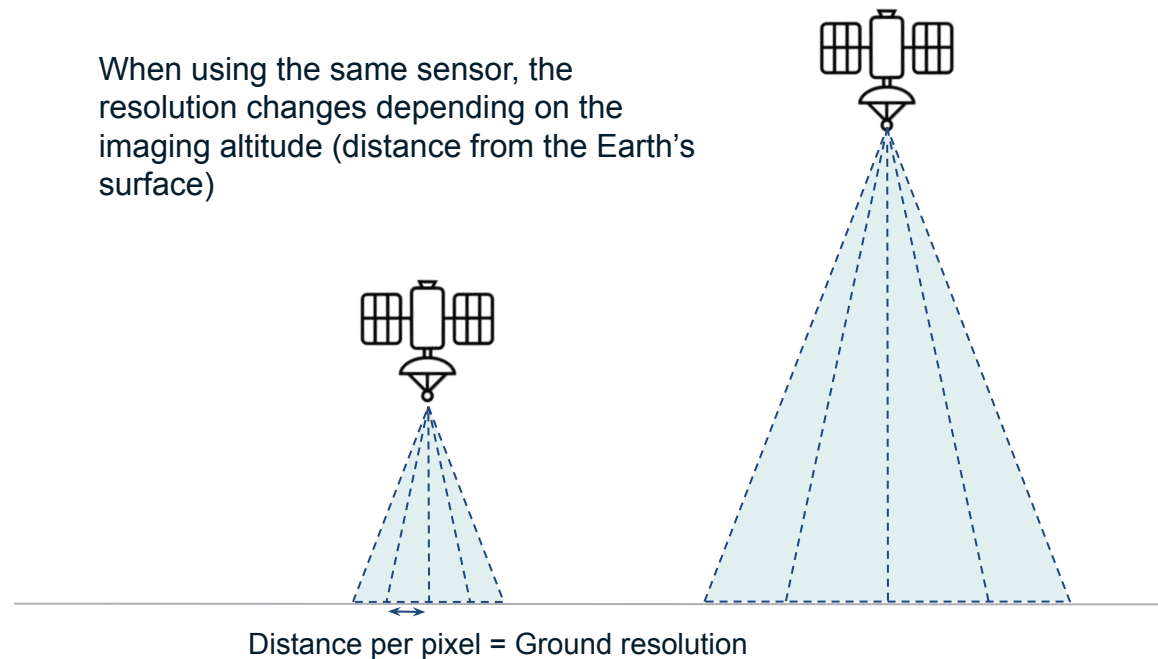
Indicates the level of detail that can be captured by the sensor

Image resolution = resolution of the delivered image

Indicates the ground distance represented by one pixel in the image delivered to the end user

Orbital Altitude and Ground Resolution

When using the same sensor, the resolution changes depending on the imaging altitude (distance from the Earth's surface)



	High resolution	Medium resolution
Imaging range	Narrow	Wide
Ground resolution	Fine	Coarse

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	Mission equipment carried on board satellites, such as scientific instruments and experimental devices.
CubeSat	Small satellites weighing several kg. In this material, refers to small 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	The ability of an observation instrument, such as one on an Earth observation satellite, to distinguish objects on the ground. It is expressed as the ground distance represented by one pixel.
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.
SSA	Observation and identification of objects in satellite orbits, including 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.

Discover More About Axelspace

IR Website

Provides information for shareholders and investors, including financial results, financial information, and IR news.

<https://www.axelspacehd.com/ir/>

note

Business and service introductions featuring voices from engineers and customers, and financial results and growth strategies via our "IR Magazine."



<https://note.com/axelspace>

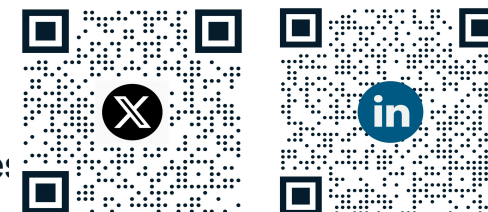
Sponsored Research Report^{*1}

Analyst report prepared by Envalith, Inc. upon request from the Company

<https://envalith.com/en/companies/402A>

Official Social Media

Press releases and Sharing the latest updates from Axelspace, including press releases and event information



<https://x.com/axelspace>

<https://jp.linkedin.com/company/axelspace>

^{*1}: This report was prepared by Envalith, Inc. based on its own research and analysis at the Company's request. The purpose of this report is to deepen investors' understanding of the Company's initiatives for long-term corporate value enhancement, growth potential, and market environment, and it does not solicit the acquisition, sale, or other investment in any specific securities.

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For factors that may cause discrepancies between forward-looking statements contained in this material and actual results, please refer to the Company's securities reports posted on EDINET.

Information regarding companies other than the Company and information regarding third-party creation contained in this material are quoted from publicly available information, etc., and the Company has not independently verified the accuracy or appropriateness of such data or indicators, and cannot assume any responsibility therefor.

Regarding updates to this material, we plan to disclose them around the time of the announcement of the fiscal year-end financial results (around August 2027).

AXELSPACE