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February 14, 2025

## Consolidated Financial Results for the Fiscal Year Ended December 31, 2024 (Under Japanese GAAP)



Company name: Synspective Inc.  
 Listing: Tokyo Stock Exchange  
 Securities code: 290A  
 URL: <https://synspective.com/>  
 Representative: Motoyuki Arai, Founder and CEO  
 Inquiries: Atsushi Shito, Board Director, General Manager of Corporate Administration Dept.  
 Telephone: +81-3-6811-1355  
 Scheduled date of annual general meeting of shareholders: March 25, 2025  
 Scheduled date to commence dividend payments: –  
 Scheduled date to file annual securities report: March 25, 2025  
 Preparation of supplementary material on financial results: Yes  
 Holding of financial results briefing: Yes (for institutional investors and analysts)

(Yen amounts are rounded down to millions, unless otherwise noted.)

### 1. Consolidated financial results for the fiscal year ended December 31, 2024 (from January 1, 2024 to December 31, 2024)

#### (1) Consolidated operating results

(Percentages indicate year-on-year changes.)

Fiscal year ended	Total revenue		Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
December 31, 2024	2,508	81.0	2,316	67.1	(3,070)	–	(3,594)	–	(3,592)	–
December 31, 2023	1,386	181.5	1,386	181.5	(1,795)	–	(1,951)	–	(1,520)	–

Note: Comprehensive income For the fiscal year ended December 31, 2024: ¥(3,593) million [–%]  
 For the fiscal year ended December 31, 2023: ¥(1,521) million [–%]

Fiscal year ended	Basic earnings per share	Diluted earnings per share	Return on equity	Ratio of ordinary profit to total assets	Ratio of operating profit to net sales
	Yen	Yen	%	%	%
December 31, 2024	(42.78)	–	(26.3)	(18.2)	(132.5)
December 31, 2023	(20.60)	–	(19.1)	(18.4)	(129.5)

Reference: Share of profit (loss) of entities accounted for using equity method

For the fiscal year ended December 31, 2024: ¥– million

For the fiscal year ended December 31, 2023: ¥– million

Note 1: Total revenue is a non-GAAP indicator. It is a financial indicator we consider useful when investors evaluate our Group's business performance and is calculated by adding government subsidy income to net sales.

Note 2: No information is provided on diluted earnings per share because, although there is potential common stock, it is net loss per share.

Note 3: We conducted a 150-for-1 stock split of common stock, effective June 24, 2024. Assuming that this stock split was conducted at the beginning of the previous fiscal year, we determine basic earnings per share.

## (2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
December 31, 2024	28,195	19,872	68.9	179.54
December 31, 2023	11,314	7,870	69.5	(193.87)

Reference: Equity

As of December 31, 2024: ¥19,434 million

As of December 31, 2023: ¥7,869 million

## (3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
Fiscal year ended	Millions of yen	Millions of yen	Millions of yen	Millions of yen
December 31, 2024	(1,798)	(7,464)	19,032	14,239
December 31, 2023	(2,221)	(3,636)	3,722	4,468

## 2. Cash dividends

	Annual dividends per share					Total cash dividends (Total)	Payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Fiscal year ended December 31, 2023	–	0.00	–	0.00	0.00	–	–	–
Fiscal year ended December 31, 2024	–	0.00	–	0.00	0.00	–	–	–
Fiscal year ending December 31, 2025 (Forecast)	–	0.00	–	0.00	0.00		–	

## 3. Consolidated Financial Results Forecast for the Fiscal Year Ending December 31, 2025 (from January 1, 2025 to December 31, 2025)

(Percentages indicate year-on-year changes for full-year forecasts and changes from the same quarter of the previous year for quarter-on-quarter forecasts.)

	Total revenue		Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	6,113	143.7	2,321	(0.2)	(4,524)	–	(1,473)	–	(1,482)	–	(12.99)

Note: Basic earnings per share is calculated according to the average number of outstanding shares obtained by adding to the number of outstanding shares as of December 31, 2024, the increase in the number of common shares due to a third-party allotment of new shares (3,195,600 shares) regarding offering with an over-allotment option.

\* **Notes**

- (1) Significant changes in the scope of consolidation during the period: None
- (2) Changes in accounting policies, changes in accounting estimates, and restatement
- (i) Changes in accounting policies due to revisions to accounting standards and other regulations: None
  - (ii) Changes in accounting policies due to other reasons: None
  - (iii) Changes in accounting estimates: None
  - (iv) Restatement: None

(3) Number of issued shares (common shares)

- (i) Total number of issued shares at the end of the period (including treasury shares)

As of December 31, 2024	108,249,150 shares
As of December 31, 2023	75,422,100 shares

- (ii) Number of treasury shares at the end of the period

As of December 31, 2024	– shares
As of December 31, 2023	– shares

- (iii) Average number of shares outstanding during the period

Fiscal year ended December 31, 2024	83,980,788 shares
Fiscal year ended December 31, 2023	73,804,776 shares

Note 1: On June 12, 2024, the Company acquired all preferred stock—Class A preferred stock, Class B preferred stock, Class C1 preferred stock and Class D preferred stock—as treasury shares, upon exercise of put options on Class A preferred stock, Class B preferred stock, Class C1 preferred stock and Class D preferred stock. In exchange for the acquisition, the Company delivered one share of its common stock for each share of Class A preferred stock and Class B preferred stock, and 1.05 shares of its common stock were delivered for each share of Class C1 preferred stock and Class D preferred stock. In addition, all of the said preferred stock—86,200 shares of Class A preferred stock, 160,558 shares of Class B preferred stock, 131,794 shares of Class C1 preferred stock and 89,749 shares of Class D preferred stock—were cancelled on June 23, 2024, in accordance with the resolution of the Board of Directors meeting held on June 7, 2024. Based on the resolution on changes to the Articles of Incorporation at the extraordinary shareholders' meeting held on the same day, we abolished the provisions of Articles of Incorporation regarding Class A preferred stock, Class B preferred stock, Class C1 preferred stock, and Class D preferred stock, effective June 24, 2024.

Note 2: Based on the resolution at the Board of Directors meeting held on June 7, 2024, the Company conducted a 150-for-1 stock split of common stock, effective June 24, 2024. We determine the average number of shares outstanding during the period, assuming that this stock split was conducted at the beginning of the previous fiscal year.

**[Reference] Overview of non-consolidated financial results**

**1. Non-consolidated financial results for the fiscal year ended December 31, 2024 (from January 1, 2024 to December 31, 2024)**

**(1) Non-consolidated operating results**

(Percentages indicate year-on-year changes.)

Fiscal year ended	Net sales		Operating profit		Ordinary profit		Profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
December 31, 2024	2,342	65.6	(3,048)	–	(3,568)	–	(3,566)	–
December 31, 2023	1,414	183.6	(1,847)	–	(2,000)	–	(1,559)	–

Fiscal year ended	Basic earnings per share	Diluted earnings per share
	Yen	Yen
December 31, 2024	(42.47)	–
December 31, 2023	(21.13)	–

Note 1: No information is provided on diluted earnings per share because, although there is potential common stock, it is a net loss per share.

Note 2: We conducted a 150-for-1 stock split of common shares, effective June 24, 2024. Assuming that this stock split was conducted at the beginning of the previous fiscal year, we determine basic earnings per share.

**(2) Non-consolidated financial position**

	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
December 31, 2024	28,252	19,894	68.9	179.74
December 31, 2023	11,300	7,864	69.6	(193.95)

Reference: Equity

As of December 31, 2024: ¥19,456 million

As of December 31, 2023: ¥7,863 million

\* Financial results reports are exempt from audits conducted by certified public accountants or an audit firm.

\* Proper use of earnings forecasts, and other special matters

(Notes on forward-looking statements, etc.)

Forward-looking statements in this document regarding the business outlook, etc. are based on information currently available to us and certain assumptions we consider reasonable and are not intended to promise that we will achieve them. Actual business results may differ significantly due to various factors.

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## 1. Overview of Operating Results, etc.

### (1) Overview of Operating Results for the Fiscal Year under Review

During the fiscal year under review, the Japanese economy is expected to grow steadily as a result of increasing real income and slowing inflation and continue to recover gradually, despite economic downside risks due to increased tensions in the Middle East and the uncertain outlook of the Chinese economy. In the space industry, the Space Strategy Fund, which is a long-term and large-scale support of ¥1 trillion over 10 years, was established at the Japan Aerospace Exploration Agency (JAXA). In Phase 1, which started in fiscal 2024, we were selected to receive support for the “accelerating commercial satellite constellation deployment” initiative (with a total budget of ¥95 billion; four companies were selected). Additionally, the Ministry of Defense has earmarked ¥283.2 billion in the fiscal 2025 budget for the construction of a "satellite constellation," Making it a year in which government policies to position the space industry as a growth sector in the Japanese economy became more concrete.

Under these circumstances, our Group obtained the first image (first light) from our fourth small SAR satellite launched on March 13, 2024, on April 8, the first image from our fifth small SAR satellite launched on August 3, on September 17, and the first image from our sixth small SAR satellite launched on December 21, on January 16, 2025. Furthermore, as were selected contractor for the “Fiscal 2024 Demonstration for Expanding the Use of Small SAR Satellite Constellations” promoted by the Cabinet Office’s Space Development Strategy Promotion Office, and for the space demonstration of small SAR satellites suitable for security purposes promoted by the Ministry of Defense, we have delivered products to multiple domestic government agencies. The provision of existing services, such as the "Land Displacement Monitoring" service and the "Flood Damage Assessment" service, as well as joint solution development projects with clients, continues to progress smoothly. As a result of technological development, we succeeded in acquiring images with the highest resolution in Japan, azimuth resolution of 25 cm, during test observations using a new imaging mode called the "steering spotlight mode."

Regarding satellite manufacturing, the "Yamato Technology Center," a manufacturing site for small SAR satellites, commenced operation in September 2024, establishing a robust production system to realize the construction of satellite constellations. Additionally, concerning satellite launch contracts, we agreed to launch ten satellites using the Electron rocket provided by Rocket Lab (headquartered in California, USA, CEO: Sir Peter Beck) from 2025 onwards.

As a result, net sales for the fiscal year under review was ¥2,316,649 thousand (up 67.1% from the previous fiscal year), operating loss was ¥3,070,206 thousand (a loss of ¥1,795,927 thousand for the previous fiscal year), ordinary loss was ¥3,594,948 thousand (a loss of ¥1,951,232 thousand for the previous fiscal year), and net loss attributable to owners of parent was ¥3,592,954 thousand (a loss of ¥1,520,458 thousand for the previous fiscal year).

Our Group operates only one business segment, or the satellite data business. Therefore, our business results by segment are omitted.

### (2) Overview of Financial Position for the Fiscal Year under Review (Assets)

The total current assets as of the end of the fiscal year under review amounted to ¥16,253,228 thousand, increasing by ¥10,273,066 thousand from the end of the previous fiscal year. This was primarily due to an increase of ¥9,771,337 thousand in cash and deposits resulting from the issuance of new shares through a third-party allotment, borrowings from financial institutions, and the public offering after listing of our stock on the Tokyo Stock Exchange Growth Market as of December 19, 2024, despite a decrease due to manufacturing and launching of small SAR satellites.

The total non-current assets as of the end of the fiscal year under review amounted to ¥11,942,108 thousand, increasing by ¥6,607,327 thousand from the end of the previous fiscal year. This was primarily due to an increase of ¥5,280,542 thousand in observation satellites (net) partly owing to transfer from construction in progress for

bringing small SAR satellites into operation, and an increase of ¥826,627 thousand in construction in progress due to manufacturing, etc. of small SAR satellites.

(Liabilities)

The total current liabilities amounted to ¥2,229,395 thousand, increasing by ¥723,590 thousand from the end of the previous fiscal year. This was primarily due to an increase of ¥103,500 thousand in current portion of long-term borrowings owing to transfer from long-term borrowings.

The total long-term liabilities as of the end of the fiscal year under review amounted to ¥6,093,000 thousand, increasing by ¥4,154,500 thousand from the end of the previous fiscal year. This was primarily due to an increase of ¥4,154,500 thousand in long-term borrowings.

(Net assets)

The total net assets as of the end of the fiscal year under review amounted to ¥19,872,941 thousand, increasing by ¥12,002,302 thousand from the end of the previous fiscal year. This was primarily due to the recording of net loss attributable to owners of parent of ¥3,592,954 thousand, despite an increase of ¥7,579,652 thousand in common stock and capital surplus due to issuance of new shares through a third-party allotment and the public offering after listing of our stock on the Tokyo Stock Exchange Growth Market as of December 19, 2024. In order to eliminate losses and improve our financial health, we reduced the capital surplus by ¥1,559,650 thousand and transferred the same amount to retained earnings for compensation for losses.

(3) Overview of Cash Flows for the Fiscal Year under Review

Cash and cash equivalents (hereinafter “fund”) at the end of the fiscal year under review totaled ¥14,239,861 thousand (¥4,468,524 thousand at the end of the previous fiscal year), up ¥9,771,337 thousand from the previous fiscal year.

The status of cash flows and their components for the fiscal year under review are as follows.

(Cash Flows from Operating Activities)

Net cash used in operating activities was ¥1,798,097 thousand (net cash used of ¥2,221,564 thousand for the previous fiscal year). The primary factors affecting operating cash flows included loss before income taxes of ¥3,586,493 thousand (loss before income taxes of ¥1,505,008 thousand for the previous fiscal year), depreciation and amortization of ¥1,097,476 thousand (depreciation and amortization of ¥115,259 thousand for the previous fiscal year), share-based compensation expenses of ¥437,930 thousand, and listing expenses of ¥383,560 thousand (listing expenses of ¥ 6,988 thousand for the previous fiscal year).

(Cash Flows from Investing Activities)

Net cash used in investing activities was ¥7,464,995 thousand (net cash used of ¥3,636,955 thousand for the previous fiscal year). The primary factors affecting investing cash flows included purchase of property and equipment of ¥7,336,512 thousand (purchase of property and equipment of ¥3,619,099 thousand for the previous fiscal year) due to purchase of satellite manufacturing parts, etc.

(Cash Flows from Financing Activities)

Net cash provided by financing activities was ¥19,032,705 thousand (net cash provided of ¥3,722,615 thousand for the previous fiscal year). The primary factors affecting financing cash flows included proceeds from long-term borrowings of ¥4,270,000 thousand (proceeds from long-term borrowings of ¥2,030,000 thousand for the previous fiscal year) and proceeds from issuance of shares of ¥15,159,304 thousand (proceeds from issuance of shares of ¥1,300,182 thousand for the previous fiscal year) due to issuance of new shares through a third-party allotment and the public offering after listing of our stock on the Tokyo Stock Exchange Growth Market as of December 19, 2024.

#### (4) Future Outlook

As for the future outlook, we expect the government's space-related budget to continue to increase, and especially the "establishment of satellite constellations from the end of fiscal 2025 to acquire the capability to detect and track targets, required for standoff defense capability," the service of which will start from fiscal 2026, is expected to become a main pillar of short- to medium-term revenue; we are preparing for it.

In this situation, our Group plans to launch two small SAR satellites by December 2025 and will push to sell satellite data obtained from satellite constellations with these satellites, mainly to government agencies. As for the full-year forecast for the fiscal year ending December 2025, we expect net sales of ¥2,321 million, an operating loss of ¥4,524 million, an ordinary loss of ¥1,473 million, and net loss attributable to owners of parent of ¥1,482 million.

The outlook above is based on information available as of the release date of this document and includes many uncertainties. Actual business results, etc. may differ from the outlook above depending on various factors.

#### (5) Material Events Related to Going Concern Assumption

The Group posted recurring operating losses and negative operating cash flows, and we think that there are events or conditions which indicate there could be substantial doubt regarding going concern assumption.

The main reason is that the manufacturing and launching of satellites involves a major prior investment, and it takes time to recover the investment.

To eliminate these events and conditions, we plan to early increase the number of satellites, which is a driver of growth in the revenue of the satellite data business, our Group's main business, promote the review of strategies and the expansion of business, and increase net sales by expanding market share, while also securing stable profitability and striving to improve our corporate value.

At the end of the fiscal year under review, we had cash and deposits of ¥14,239,861 thousand, and as a result of considering our cash-flow situation over the next 12 months from the end of the fiscal year under review, we believe that there is no significant concern about the cash-flow situation as we have operating funds for the time being.

Consequently, we determine that there are no significant uncertainties over going concern assumption.

## 2. Basic Policy on Selection of Accounting Standards

The Group's stance for the immediate future is to prepare its consolidated financial statements under Japanese GAAP to maintain comparability of the consolidated financial statements between periods as well as between companies.

Regarding the International Financial Reporting Standards (IFRS), the Group will appropriately determine its adoption while considering various circumstances in Japan and overseas.

### 3. Consolidated Financial Statements and Principal Notes

#### (1) Consolidated Balance Sheets

(Thousands of yen)

	As of December 31, 2023	As of December 31, 2024
<b>Assets</b>		
Current assets		
Cash and deposits	4,468,524	14,239,861
Accounts receivable-trade	19,745	30,953
Contract assets	823,682	1,347,920
Work in process	148,426	113,036
Supplies	54,039	313
Other	465,745	521,142
Total current assets	5,980,162	16,253,228
Non-current assets		
Property and equipment		
Buildings and structures	114,848	412,329
Accumulated depreciation	(30,323)	(46,722)
Buildings and structures, net	84,524	365,606
Tools, furniture and fixtures	628,411	702,384
Accumulated depreciation	(340,790)	(332,841)
Tools, furniture and fixtures, net	287,620	369,542
Machinery, equipment and vehicles	6,650	18,982
Accumulated depreciation	(6,649)	(10,747)
Machinery, equipment and vehicles, net	0	8,234
Observation satellites	–	6,237,026
Accumulated depreciation	–	(956,484)
Observation satellites, net	–	5,280,542
Construction in progress	4,881,497	5,708,124
Total property and equipment	5,253,643	11,732,051
Intangible assets		
Software	12,552	35,436
Total intangible assets	12,552	35,436
Investments and other assets		
Leasehold and guarantee deposits	68,062	167,583
Long-term accounts receivable-other	350,866	350,866
Other	523	7,036
Allowance for doubtful accounts	(350,866)	(350,866)
Total investments and other assets	68,585	174,620
Total non-current assets	5,334,781	11,942,108
Total assets	11,314,943	28,195,336

(Thousands of yen)

	As of December 31, 2023	As of December 31, 2024
<b>Liabilities</b>		
Current liabilities		
Short-term borrowings	1,000,000	1,000,000
Current portion of long-term borrowings	91,500	195,000
Income taxes payable	15,449	126,115
Contract liabilities	8,076	16,456
Provision for loss on contracts	16,076	16,076
Other	374,703	875,747
Total current liabilities	1,505,805	2,229,395
Long-term liabilities		
Long-term borrowings	1,938,500	6,093,000
Total long-term liabilities	1,938,500	6,093,000
Total liabilities	3,444,305	8,322,395
Net assets		
Shareholders' equity		
Common stock	100,000	7,679,652
Capital surplus	9,323,216	15,343,219
Retained earnings	(1,548,969)	(3,582,273)
Total shareholders' equity	7,874,247	19,440,598
Accumulated other comprehensive income (loss)		
Foreign currency translation adjustment	(5,023)	(5,838)
Total accumulated other comprehensive income (loss)	(5,023)	(5,838)
Stock acquisition rights	1,413	438,180
Total net assets	7,870,638	19,872,941
Total liabilities and net assets	11,314,943	28,195,336

(2) Consolidated Statements of Income and Comprehensive Income  
Consolidated Statements of Income

(Thousands of yen)

	For the fiscal year ended December 31, 2023	For the fiscal year ended December 31, 2024
Net sales	1,386,283	2,316,649
Cost of sales	569,944	2,102,132
Gross profit	816,338	214,517
Selling, general and administrative expenses	2,612,266	3,284,723
Operating loss	(1,795,927)	(3,070,206)
Non-operating income		
Interest income	59	713
Refund of commission expenses	20,000	–
Subsidy income	–	192,112
Other	4,756	2,419
Total non-operating income	24,815	195,245
Non-operating expenses		
Interest expenses	53,553	259,566
Commission expenses	114,997	17,087
Share issuance costs	4,580	53,177
Listing expenses	6,988	383,560
Other	–	6,595
Total non-operating expenses	180,120	719,988
Ordinary loss	(1,951,232)	(3,594,948)
Extraordinary income		
Gain on sale of non-current assets	35,365	7,323
Gain on reversal of provision for loss on contracts	410,896	–
Gain on reversal of share acquisition rights	–	1,164
Total extraordinary income	446,262	8,487
Extraordinary losses		
Loss on retirement of non-current assets	39	32
Total extraordinary losses	39	32
Loss before income taxes	(1,505,008)	(3,586,493)
Income taxes - current	15,449	6,460
Total income taxes	15,449	6,460
Net loss	(1,520,458)	(3,592,954)
Net loss attributable to owners of parent	(1,520,458)	(3,592,954)

Consolidated Statements of Comprehensive Income

(Thousands of yen)

	For the fiscal year ended December 31, 2023	For the fiscal year ended December 31, 2024
Net loss	(1,520,458)	(3,592,954)
Other comprehensive income (loss)		
Foreign currency translation adjustment	(1,245)	(814)
Total other comprehensive income (loss)	(1,245)	(814)
Comprehensive income (loss)	(1,521,703)	(3,593,768)
Comprehensive income (loss) attributable to		
Comprehensive income (loss) attributable to owners of parent	(1,521,703)	(3,593,768)

## (3) Consolidated Statements of Changes in Net Assets

Fiscal year ended December 31, 2023 (from January 1, 2023 to December 31, 2023)

(Thousands of yen)

	Shareholders' equity			
	Common stock	Capital surplus	Retained earnings	Total shareholders' equity
Balance, January 1, 2023	100,000	14,288,097	(6,293,573)	8,094,523
Changes during period				
Issuance of new shares	650,091	650,091	–	1,300,182
Compensation for accumulated deficit	–	(6,265,062)	6,265,062	–
Capital reduction	(650,091)	650,091	–	–
Net income (loss) attributable to owners of parent	–	–	(1,520,458)	(1,520,458)
Net changes in items other than shareholders' equity	–	–	–	–
Total changes during period	–	(4,964,880)	4,744,604	(220,276)
Balance, December 31, 2023	100,000	9,323,216	(1,548,969)	7,874,247

	Accumulated other comprehensive income (loss)		Share acquisition rights	Total net assets
	Foreign currency translation adjustment	Total accumulated other comprehensive income (loss)		
Balance, January 1, 2023	(3,778)	(3,778)	1,413	8,092,159
Changes during period				
Issuance of new shares	–	–	–	1,300,182
Compensation for accumulated deficit	–	–	–	–
Capital reduction	–	–	–	–
Net income (loss) attributable to owners of parent	–	–	–	(1,520,458)
Net changes in items other than shareholders' equity	(1,245)	(1,245)	–	(1,245)
Total changes during period	(1,245)	(1,245)	–	(221,521)
Balance, December 31, 2023	(5,023)	(5,023)	1,413	7,870,638

Fiscal year ended December 31, 2024 (from January 1, 2024 to December 31, 2024)

(Thousands of yen)

	Shareholders' equity			
	Common stock	Capital surplus	Retained earnings	Total shareholders' equity
Balance, January 1, 2024	100,000	9,323,216	(1,548,969)	7,874,247
Changes during period				
Issuance of new shares	7,579,652	7,579,652	—	15,159,304
Compensation for accumulated deficit	—	(1,559,650)	1,559,650	—
Capital reduction	—	—	—	—
Net income (loss) attributable to owners of parent	—	—	(3,592,954)	(3,592,954)
Net changes in items other than shareholders' equity	—	—	—	—
Total changes during period	7,579,652	6,020,002	(2,033,304)	11,566,350
Balance, December 31, 2024	7,679,652	15,343,219	(3,582,273)	19,440,598

	Accumulated other comprehensive income (loss)		Share acquisition rights	Total net assets
	Foreign currency translation adjustment	Total accumulated other comprehensive income (loss)		
Balance, January 1, 2024	(5,023)	(5,023)	1,413	7,870,638
Changes during period				
Issuance of new shares	—	—	—	15,159,304
Compensation for accumulated deficit	—	—	—	—
Capital reduction	—	—	—	—
Net income (loss) attributable to owners of parent	—	—	—	(3,592,954)
Net changes in items other than shareholders' equity	(814)	(814)	436,766	435,952
Total changes during period	(814)	(814)	436,766	12,002,302
Balance, December 31, 2024	(5,838)	(5,838)	438,180	19,872,941

## (4) Consolidated Statements of Cash Flows

(Thousands of yen)

	For the fiscal year ended December 31, 2023	For the fiscal year ended December 31, 2024
<b>Cash flows from operating activities</b>		
Loss before income taxes	(1,505,008)	(3,586,493)
Depreciation and amortization	115,259	1,097,476
Share-based compensation expenses	–	437,930
Interest income	(59)	(713)
Foreign exchange losses (gains)	(5,068)	(5,514)
Refund of commission expenses	(20,000)	–
Subsidy income	–	(192,112)
Interest expenses	53,553	259,566
Commission expenses	114,997	17,087
Listing expenses	6,988	383,560
Share issuance costs	4,580	53,177
Loss (gain) on sale of non-current assets	(35,365)	(7,323)
Gain on reversal of provision for loss on contracts	(410,896)	–
Gain on reversal of share acquisition rights	–	(1,164)
Loss on retirement of non-current assets	39	32
Decrease (increase) in trade receivables	23,289	(7,864)
Decrease (increase) in contract assets	(606,432)	(524,238)
Decrease (increase) in inventories	(142,258)	111,445
Increase (decrease) in contract liabilities	2,323	8,380
Other	227,922	212,748
Subtotal	(2,176,134)	(1,744,018)
Interest received	59	713
Subsidies received	–	192,112
Interest paid	(41,401)	(226,155)
Income taxes paid	(4,087)	(20,749)
Net cash provided by (used in) operating activities	(2,221,564)	(1,798,097)
<b>Cash flows from investing activities</b>		
Purchase of property and equipment	(3,619,099)	(7,336,512)
Purchase of intangible assets	(7,500)	(26,788)
Proceeds from sale of non-current assets	17,156	7,323
Payments of leasehold and guarantee deposits	(27,723)	(109,018)
Proceeds from refund of leasehold and guarantee deposits	210	–
Net cash provided by (used in) investing activities	(3,636,955)	(7,464,995)
<b>Cash flows from financing activities</b>		
Net increase (decrease) in short-term borrowings	500,000	–
Proceeds from long-term borrowings	2,030,000	4,270,000
Repayments of long-term borrowings	(1,000)	(12,000)
Proceeds from issuance of shares	1,300,182	15,159,304
Payments for issuance of shares	(4,580)	(53,177)
Refund of commissions of borrowings received	20,000	–
Payments for commissions of borrowings	(114,997)	(17,087)
Payments of listing expenses	(6,988)	(314,334)
Net cash provided by (used in) financing activities	3,722,615	19,032,705
Effect of exchange rate change on cash and cash equivalents	1,226	1,724
Net increase (decrease) in cash and cash equivalents	(2,134,678)	9,771,337
Cash and cash equivalents at beginning of period	6,603,202	4,468,524
Cash and cash equivalents at end of period	4,468,524	14,239,861

## (5) Notes to Consolidated Financial Statements

(Notes on going concern assumption)

Not applicable.

(Segment information, etc.)

[Segment information]

Descriptions are omitted because the Group operates only one segment, or the satellite data business.

(Per share information)

	For the fiscal year ended December 31, 2023	For the fiscal year ended December 31, 2024
Net assets per share	¥(193.87)	¥179.54
Basic earnings per share	¥(20.60)	¥(42.78)

- (Notes) 1. Information on diluted earnings per share for the previous fiscal year is not provided because although there is potential common stock, our stock was unlisted and it is not possible to determine the average stock price during the period and because it is a net loss per share.
2. No information is provided on diluted earnings per share for the fiscal year under review because although there is potential common stock, it is a net loss per share.
3. Based on the resolution at the Board of Directors meeting held on June 7, 2024, we conducted a 150-for-1 stock split of common stock, effective June 24, 2024. Assuming that this stock split was conducted at the beginning of the previous fiscal year, we determine net assets per share and basic earnings per share.
4. Net assets per share for the previous fiscal year is calculated by subtracting from the total amount of net assets the value of residual assets distributed in preference to Class A preferred stock, Class B preferred stock, Class C1 preferred stock, and Class D preferred stock; the calculation result is negative.
5. The basis for the calculation of basic earnings per share is as follows.

Item	For the fiscal year ended December 31, 2023	For the fiscal year ended December 31, 2024
Basic earnings per share		
Loss attributable to owners of parent (Thousands of yen)	(1,520,458)	(3,592,954)
Amount not attributed to common shareholders (including shareholders equivalent to common shareholders) (Thousands of yen)	—	—
Loss attributable to owners of parent related to common shareholders (including shareholders equivalent to common shareholders) (Thousands of yen)	(1,520,458)	(3,592,954)
Average number of common stock (including shareholders equivalent to common shareholders) during the period (shares);	73,804,776	83,980,788
of which, Class A preferred stock (shares);	(12,930,000)	(—)
of which, Class B preferred stock (shares);	(24,083,700)	(—)
of which, Class C1 preferred stock (shares);	(20,780,250)	(—)
of which, Class D preferred stock (shares)	(1,010,826)	(—)
Outline of potential common stock not included in the determination of diluted earnings per share because they are not dilutive	Three types of stock acquisition rights (7,626,450 shares)	—

(Note) Regarding the right to claim dividends of surplus, preferred stock possesses the same right as common stock and thus is regarded as stock equivalent to common stock.

(Significant subsequent events)

(Issuance of new shares through a third-party allotment)

We listed our stock on the Tokyo Stock Exchange Growth Market on December 19, 2024. For listing, we resolved to make a third-party allotment of new shares to Nomura Securities Co., Ltd. regarding offering with an over-allotment option, at the Board of Directors meetings held on November 14, 2024 and December 3, 2024. The payment was completed on January 17, 2025.

(1) Subscription details	Allotment of new shares to a third party (offering with an over-allotment option)
(2) Class and number of shares issued	3,195,600 shares of common stock
(3) Allotment price	¥444 per share
(4) Total allotments	¥1,418,846 thousand
(5) Matters concerning common stock and legal capital surplus increased	Amount of common stock increased: ¥709,423 thousand Amount of legal capital surplus increased: ¥709,423 thousand
(6) Buyer	Nomura Securities Co., Ltd.
(7) Date of payment	January 17, 2024
(8) Fund utilization	As described in the Amended Registration Statement of Securities released on December 10, 2024, funds are planned to be used for development and manufacturing of satellites, relevant capital investment, and working capital for personnel expenses, training and recruiting expenses, research and development expenses, outsourcing expenses, and system usage fees associated with business development. Until the time of actual use, we will invest the funds in low-risk financial instruments, etc.