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Announcement of Selection for Phase II of the Japan’s Space Strategy Fund
“Technology to Enhance Capability of Next Generation Earth Observation Satellites”

Axelspace Holdings Corporation (The Company) hereby announce that our consolidated subsidiary, Axelspace Corporation has been selected for Japan Aerospace Exploration Agency (JAXA)’s Space Strategy Fund under the theme “Technology to Enhance Capability of Next Generation Earth Observation Satellites.”

1. Overview of the Space Strategy Fund

The Space Strategy Fund is designed to support bold, multi-year research and development initiatives by private companies, universities, and other entities. Established at the Japan Aerospace Exploration Agency (JAXA), the program serves as a platform for collaboration among industry, academia, and government.

Based on the “Space Technology Strategy” and related policies, and under the leadership of the Cabinet Office, four ministries and agencies (the Cabinet Office, the Ministry of Internal Affairs and Communications, the Ministry of Education, Culture, Sports, Science and Technology, and the Ministry of Economy, Trade and Industry) collaborate to formulate the Basic Policy that defines the institutional framework of the program, as well as the Implementation Policy that specifies individual technology development themes. Under this framework, the program provides support for advanced technology development,

technology demonstration, and commercialization initiatives undertaken by private companies, startups, and universities.

Axelspace Corporation announces that the proposal titled “Source-Specific CO2 Emission and Uptake Monitoring through Satellite Constellation and Aircraft Observations,” submitted jointly with three partner companies, has been selected under the theme “Technology to Enhance Capability of Next Generation Earth Observation Satellites” in the second phase of the Space Strategy Fund (totaling 300 billion yen).

As the lead organization, Axelspace Corporation will support onboard sensor development and integration, establish an aircraft-based validation framework, optimize large-scale spectroscopic data processing, develop and operate a demonstration satellite, evaluate in-orbit data, and provide overall project leadership.

2. Contract Summary (Planned)

- Funding Agency: Japan Aerospace Exploration Agency (JAXA)
- Technology Development Theme: Technology to Enhance Capability of Next Generation Earth Observation Satellites
- Technology Development Objective: (A) Creation of New Markets
- Project Title: Source-Specific CO2 Emission and Uptake Monitoring through Satellite Constellation and Aircraft Observations
- Lead Organization: Axelspace Corporation (Principal Investigator: Akihiko Kuze)
- Partner Organizations:
 - Meisei Electric Co., Ltd. (Co-Investigator: Hajime Murao, Hisato Iwashita)
 - ANA HOLDINGS INC. (Co-Investigator: Ayako Matsumoto)
 - JIJ Inc. (Co-Investigator: Daisuke Makino)
- Partner Companies (Partial List):
 - Kagawa University
 - MUFG Bank, Ltd.
 - Tokio Marine & Nichido Fire Insurance Co., Ltd.
 - Universities Space Research Association (USRA)
- Maximum support amount per project ^{*1}: Up to JPY 3.0 billion (including launch and in-orbit demonstration costs)
- Project period ^{*2}: Approximately six years (maximum))

Notes

1. Total project budget. The amount may be subject to change depending on future stage-gate reviews and other evaluations.
2. A stage-gate evaluation is scheduled to be conducted around the third year after the commencement of support. Depending on the outcome, continued support for the remaining required project period (up to approximately four additional years, with an additional stage-gate evaluation scheduled around the fifth year) may be granted, including the period for launch and on-orbit demonstration.

Although the selection results for this matter were announced on March 23, 2026, we are disclosing this information promptly today upon receiving permission for disclosure from JAXA.

3. Future Outlook

It is expected that this project will contribute to the Company's consolidated financial results over a period of approximately six years beginning with the fiscal year ending May 2027. The Company plans to enter into a consignment agreement with the relevant partner institutions within the next several months.

Although the exact amount to be received by the Company has not yet been determined, it is expected that the total amount to be received over the implementation period will be at least equivalent to 10% of the Company's consolidated net sales for the fiscal year ended May 2025.

The Company intends to promptly disclose further details once a decision has been made to execute the consignment agreement.

4. Others

For more information about this project, please refer to the official Space Strategy Fund website.

Space Strategy Fund Website

https://fund.jaxa.jp/content/uploads/Overview_of_The_SpaceStrategy_Fund.pdf