

Providing Earth observation data and images using small SAR satellites it develops and manufactures

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【5595 Institute for Q-shu Pioneers of Space Sector : Information & Communication】

Fiscal Year	Net sales (mn yen)	YoY (%)	Operating profit (mn yen)	YoY (%)	Ordinary profit (mn yen)	YoY (%)	Profit (mn yen)	YoY (%)	EPS (yen)	BPS (yen)	DPS (yen)
May.2022	18	4.4x	-382	-	-385	-	-387	-	-48.4	-106.9	0.0
May.2023	372	20.7x	-314	-	-323	-	-1,105	-	-138.2	-142.5	0.0
May.2024 f	1,447	3.9x	-470	-	-709	-	-713	-	-25.8	-	0.0

Note: Non-consolidated basis. Figures for the fiscal year ending May 2024 is the company's forecasts.
It conducted 1:100 stock split on August 30, 2023. Per share indices are adjusted retroactively.

Providing Earth Observation Data and Images Using Small SAR Satellites

Institute for Q-shu Pioneers of Space (iQPS) operates the Earth observation satellite data business. It develops and manufactures small SAR satellites weighing around 100kg and launches multiple satellites into low orbit, about 500km from the Earth's surface, to form a satellite constellation. It provides Earth observation data and images obtained by these satellites.

iQPS's satellites are installed on rockets of companies such as SpaceX, and the data and images obtained by the satellites are provided across the world through companies that operate ground stations. The company specializes in developing and manufacturing small SAR satellites and selling data and images these satellites obtain. It does not conduct data analysis or other processes.

Optical satellites, which are the main type of satellite deployed to obtain Earth observation data, use optical cameras and sensors to observe sunlight reflected from Earth. On the other hand, SAR satellites emit microwaves to the observation point and use the microwaves reflected from the Earth's surface to measure the size of the object, the nature of its surface and the distance from the object. Since SAR satellites do not rely on sunlight reflected from the observation point, they can observe the Earth at all times, even during bad weather or at night.

However, since emitting and receiving microwaves required large amounts of power and large antennae, past SAR satellites generally weighed between 1-2 tonnes, and it has been a challenge to achieve miniaturization and high image resolution. iQPS's small SAR satellites are equipped with compact and lightweight foldable parabolic antennae, which allow them to achieve both miniaturization and high image resolution.

The company is currently focused on obtaining Earth observation data and images using its two satellites, its 2nd and 6th satellites, and the sale of such data and images. Since December 2021, iQPS has sold image data acquired by the 2nd small SAR satellite to government agencies such as the Cabinet Office, the Ministry of Defense, the Japan Aerospace Exploration Agency (JAXA) and other public agencies.

Financial Statements

Statement of income	Fiscal Year	May 2022		May 2023		Three months to Aug.2023	
		(mn yen)	(%)	(mn yen)	(%)	(mn yen)	(%)
Net sales		18	100.0	372	100.0	175	100.0
Cost of sales		8	44.4	215	57.8	117	66.9
Gross profit		10	55.6	156	41.9	57	32.6
Selling, general and administrative expenses		392	21.8x	471	1.3x	143	81.7
Operating profit		-382	-	-314	-	-85	-
Non-operating income		3	-	2	-	0	-
Non-operating expenses		6	-	11	-	0	-
Ordinary profit		-385	-	-323	-	-85	-
Profit before income taxes		-385	-	-1,103	-	-85	-
Net profit		-387	-	-1,105	-	-86	-

Balance sheet	Fiscal Year	May 2022		May 2023		Three months to Aug.2023	
		(mn yen)	(%)	(mn yen)	(%)	(mn yen)	(%)
Current assets		3,771	66.6	3,864	66.3	3,291	56.8
Cash and deposits		3,575	63.1	3,524	60.4	2,686	46.4
Accounts receivable-trade		-	-	23	0.4	206	3.6
Inventories		0	0.0	0	0.0	-	-
Non-current assets		1,893	33.4	1,968	33.7	2,501	43.2
Property, plant and equipment		1,849	32.6	1,934	33.2	2,453	42.3
Intangible assets		22	0.4	30	0.5	45	0.8
Investments and other assets		21	0.4	3	0.1	2	0.0
Total assets		5,664	100.0	5,832	100.0	5,793	100.0
Current liabilities		81	1.4	325	5.6	350	6.0
Accounts payable - trade		-	-	8	0.1	96	1.7
Non-current liabilities		300	5.3	307	5.3	314	5.4
Long-term borrowings		300	5.3	300	5.1	300	5.2
Net assets		5,283	93.3	5,199	89.1	5,127	88.5
Owners' equity		5,283	93.3	5,199	89.1	5,127	88.5

Statement of cash flows	Fiscal Year	May 2022	May 2023
		(mn yen)	(mn yen)
Cash flows from operating activities		-527	-149
Depreciation		16	46
Cash flows from investing activities		-1,734	-896
Cash flows from financing activities		4,881	1,000
Dividends paid		-	-
Net increase in cash and cash equivalents		2,619	-50
Cash and cash equivalents		3,575	3,524

Note:Non-consolidated

Source: Prepared by Stock Research Center based on the notifiable prospectus.

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