

A Total of 520 Million Yen for Series A Fundraising Conducted

～In order to complete a flight by reaching an altitude of 100km and returning to land with an unmanned spaceplane. By developing three planes, expanding the development site, and strengthening the organization.～

We would like to report that PD AeroSpace, LTD. (Headquarter: Nagoya, Japan, CEO: Shuji Ogawa, PDAS) has conducted fundraising of a total 520 million yen on 28th of May for series A allocation of third-party shares to five companies which already consists of the two existing stockholders; ANA HOLDINGS INC. and H.I.S.Co.,Ltd., and followed by Huis Ten Bosch, Mizuho Capital Co.,Ltd., and Optima Ventures (in no particular order).

We are going to start developing the engine and planes to reach 100km and return/land to the earth for the first time in Japan. We will expand our development site and strengthen the organization to achieve this goal.

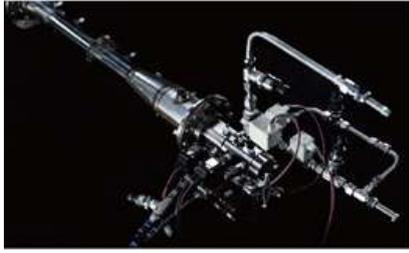


■The purpose of the fundraising

Aiming to “reach space (100km) and return with an unmanned spaceplane” (in 2019) for the first time in Japan, we will develop a new type of engine and planes. We will build three experimental planes successively, and evaluate the planes’ properties, flight control, jet-rocket switching function, and engine performance etc. (We will gradually raise the altitude and the speed in our flight tests.) Following this, we will relocate and expand the development site and remodel the organization. At the same time, we will be undertaking a feasibility study for establishing a “space port” in order to build a foundation for our experiments and to improve the business environment in Japan.

(Primary uses of funds)

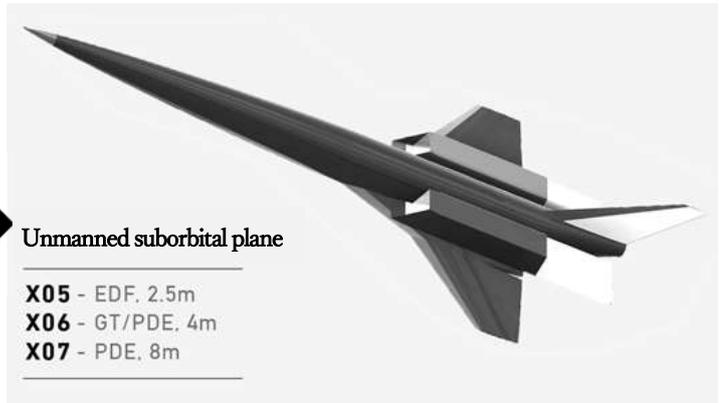
- Development of a new type of engine (jet-rocket combustion mode switchable engine) and its practical application
- Development of three types of experimental unmanned planes; X05, X06, and X07
 - *X07: Total length 8m, gross weight 3.5t, unmanned suborbital plane with the capability of reaching 100km
- Relocating and expanding the development site *A site area: eight times larger than the current site
- Remodel the organization (increasing and strengthening the work-force) *Recruitment of 15 employees (4 staff ⇒ 19 staff)
- Feasibility study to establish a domestic space port



New type of engine (switchable combustion mode)



High-speed demonstrator /FPV



Unmanned suborbital plane

- X05 - EDF, 2.5m
- X06 - GT/PDE, 4m
- X07 - PDE, 8m

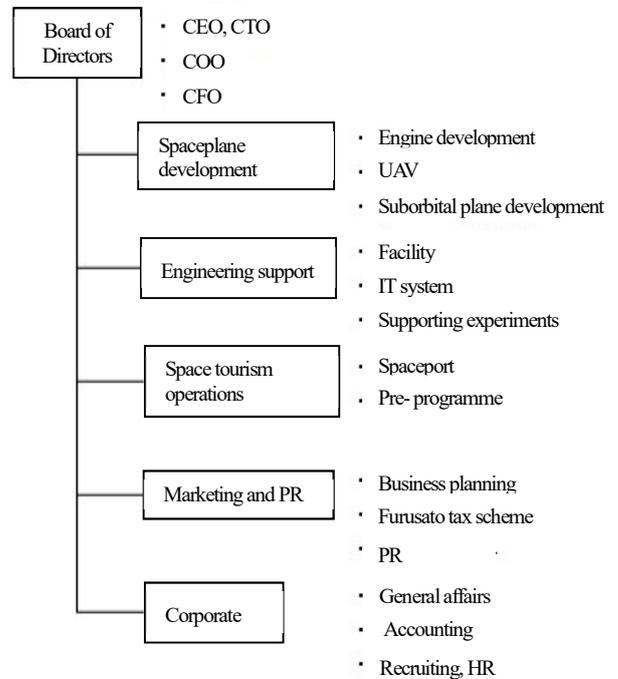
X05 : For evaluating the flight characteristics (Electrical motor fan)

X06 : For supersonic testing (Jet engine x 2 ⇒ PDE x 2)

X07 : For reaching 100km (PDE x 2)



New R&D Center (Hekinan, Aichi)



Preliminary organization

■Future fundraising plan

We will continue the round of series A fundraising. In addition to the investment, we will undertake multiple fundraising schemes including Furusato tax scheme (A system of supporting entrepreneurs in small municipalities, similar to crowdfunding) and from sponsorship.

Also, we will actively investigate how to commercialize our business by creating and strengthening a system for both collaborative research and a consortium with our partners including JAXA, university, company, and institutions (Aichi prefecture, Hekinan city, and Nagoya city) in parallel of technical development.

■Comment from Shuji Ogawa, CEO

Commercialization of space has progressed exponentially primarily in USA, and there are also many space ventures coming up in Japan, in addition to the government's strategy to support a space industry with an allocation of a total of 100 billion yen. While the space business is proliferating, we have obtained three new investors in addition to the existing two. I appreciate this investment from the bottom of my heart for them to participate in a development of a high risk spaceplane project, and I have gained strength from the support of these investors. We will endeavor to try to do our best to play a part in the future of space transportation for the new era as soon as possible.

■Profile of PD AeroSpace

(1) Established date	30 th May, 2007
(2) Representative	Shuji Ogawa, CEO
(3) Address	HQ 〒458-0924 3519, Arimatsu, Midori, Nagoya, Aichi, Japan R&D Center 〒447-0844 1-27, Minatomoto, Hekinan, Aichi *New site
(4) Number of employees	8 (Including a seconded staff) *As of 31 st May, 2018
(5) Business	Spaceplane development and manufacturing, space-related business

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