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MEMBERSHIP

July 8, 2024

Company Name: Astroscale Holdings Inc.
Representative: Mitsunobu Okada
Representative Director, President and CEO
(Securities Code: 186A; Tokyo Stock Exchange Growth Market)
Contact: Nobuhiro Matsuyama
Director and CFO
(Tel. +81 3-3626-0085)

Notice Regarding Reduction of Legal Capital Surplus and Appropriation of Surplus

Astroscale Holdings Inc. ("Company" or "we") hereby announces that it has resolved at a meeting of its Board of Directors held on July 5, 2024 at 10:00 p.m. to submit the proposals of "Reduction of Legal Capital Surplus" and "Appropriation of Surplus" to the 6th Annual General Meeting of Shareholders of the Company scheduled to be held on July 30, 2024.

1. Purpose of reduction of legal capital surplus and appropriation of surplus

The Company recognized a deficit of ¥8,004,085,703 in retained earnings brought forward as of April 30, 2024. The purpose of this matter is to cover the deficit of retained earnings brought forward to improve the efficiency of the financial position.

2. Summary of reduction of legal capital surplus and appropriation of surplus

(1) Reduction of legal capital surplus

Pursuant to the provisions of Pragraph 1 of Article 448 of the Companies Act, the Company will reduce legal capital surplus and transfer such amounts to other capital surplus.

(i) Amount of legal capital surplus to be reduced
Legal capital surplus 8,004,085,703 yen

(ii) Amount of other capital surplus to be increased
Other capital surplus 8,004,085,703 yen

(iii) Amount of legal capital surplus after the reduction
Legal capital surplus 6,535,076,344 yen

(2) Appropriation of Surplus

Pursuant to the provisions of Article 452 of the Companies Act, on the condition that the reduction in the amount of legal capital surplus described in (1) above becomes effective, the entire amount of other capital surplus arising from the reduction in the amount of legal capital surplus shall be reduced and transferred to retained earnings brought forward to be carried forward to compensate for the deficit.

(i) Item of surplus to be reduced and amount of reduction
Other capital surplus 8,004,085,703 yen

(ii) Item of surplus to be increased and amount of increase
Retained earnings brought forward 8,004,085,703 yen

3. Schedule of reduction of legal capital surplus and appropriation of surplus

(1) Date of resolution of the meeting of the Board of Directors: July 5, 2024

(2) Date of resolution of the Annual General Meeting of Shareholders: July 30, 2024 (Scheduled)

(3) Effective date: July 30, 2024 (Scheduled)

4. Future Outlook

There is no impact on net assets per share since this matter is a transfer between accounts in the net assets section of the balance sheet and there is no change in the Company's net assets or the total number of shares issued and outstanding. There will be no impact on our group financial results for the fiscal year ending April 30, 2025.

This matter is subject to the approvals of the "Reduction of Legal Capital Surplus" and the "Appropriation of Surplus" at the 6th Annual General Meeting of Shareholders scheduled to be held on July 30, 2024.

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