Security Code: 186A
July 8, 2024
(Start date of electronic provision measures: July 8, 2024)

Dear Shareholders,

4-17-1, Kinshi, Sumida-ku, Tokyo

Astroscale Holdings Inc.

Representative Director Mitsunobu Okada

Convocation Notice of the 6th Annual General Meeting of Shareholders

We would like to take this opportunity to express our appreciation for your continued support of our company.

You are cordially invited to attend the Annual General Meeting of Shareholders (AGM) of Astroscale Holdings Inc. (the "Company") which will be held as follows.

Electronic provision measures have been implemented for the convening of this AGM. Details of these measures are posted on our company website accessible through the link below.

Our company website https://www.astroscale.com/ir/

Furthermore, the items subject to electronic provision measures are also posted on the website of Tokyo Stock Exchange, Inc. (TSE). Please access the following TSE website (TSE Listed Company Information Service), enter and search "Astroscale Holdings" in "Issue Name (Company Name)" or "186A" in Security "Code" (in half-width characters), and select "Basic Information", "View Documents/PR Information" in sequence for access.

TSE website (TSE Listed Company Information Service)
https://www2.jpx.co.jp/tseHpFront/JJK020010Action.do?Show=Show

Please note that regarding the matters to be resolved, you may exercise your voting rights in writing. We kindly ask you to review the following Agenda for the General Meeting of Shareholders and exercise your voting rights by 17:00 Japan Time on Monday, July 29, 2024.

1. Date Tuesday, July 30, 2024, 15:00 Japan Time
2. Location **The 4th floor, Hulic Collabo Tree, 4-17-1 Kinshi, Sumida-ku, Tokyo**
   Sumida Innovation Core "The Star" (Please be careful that the venue has been changed from last year.)
3. The Purpose of the meeting:
   Matters to be Reported
   Matters concerning the business report and financial statements for the 6th Financial Year (from May 1, 2023 to April 30, 2024)
   Proposed Resolutions
   Resolution 1: Appointment of six (6) Directors
   Resolution 2: Reduction of Legal Capital Surplus
   Resolution 3: Appropriation of Surplus

4. Decisions Regarding the Convocation (Guidance on the Exercise of Voting Rights, etc.)

(1) If you wish to exercise your voting rights in writing, please indicate your approval or disapproval on the enclosed voting form. The deadline for the exercise of voting rights is 17:00 Japan Time on Monday, July 29, 2024.

(2) If you wish to exercise your voting rights through physical attendance on the day, please bring this convocation notice and submit the enclosed voting form at the reception of the venue.

(3) Your vote will be recorded as a vote of approval in case there is no indication of approval or disapproval on the voting form.

(4) The documents provided herein also serve as the written document detailing the electronic provision measures based on the request for document delivery.

(5) Should there be any amendments to the electronic provision measures, the details of the amendments will be posted on the above websites on the Internet.

Notice of Hybrid Virtual General Meeting of Shareholders ("Participatory Session")

We hereby announce that we will hold the 6th Annual General Meeting of Shareholders of our Company on Tuesday, July 30, 2024 based on the format of "Hybrid Participatory Virtual General Meeting of Shareholders".

Under consideration of the room space, your health and safety, we would like to limit the number of visitors to one person per company, in principle. We appreciate your cooperation in advance. The Meeting will be livestreamed. Please access it referring to the following <Guide to Join the Virtual General Meeting of Shareholders>.

This Virtual General Meeting will be held based on "Participatory Session" instead of "Remotely Attending Session", and, therefore, shareholders joining online are "not deemed to be attending" and unable to ask questions or vote at the meeting. For Shareholders who will be joining online, we kindly request to submit the voting form in advance.

Guide to Join the Virtual General Meeting of Shareholders

How to Attend Online

- The meeting is expected to start on time, however, please allow extra time to confirm your website access.
- Online participants will be requested to enter their names to log in to the system.
- Please provide your name in the following format: "Company Name_Your Name".

Notifications

- Please be informed that Shareholders attending online will not be able to exercise their voting rights, ask questions or convey their views during the meeting. If you are attending online, please make sure to submit your voting form in advance.
- Please refrain from disclosing any video or audio data to a third party or copying or reposting without permission.
- The URL you will access will be delivered separately.

(Exhibit)

Business Report

(From May 1, 2023 To April 30, 2024)

1. Matters Pertaining to the Current State of the Company

(1) Developments and Results of the Business

Astroscale strives to achieve our vision to secure the "safe and sustainable development of space for the benefit of future generations" through steady progress in business development to drive diversification and growth of the on-orbit servicing (OOS) business. The Group, Astroscale and its subsidiaries, is committed to "Space Sustainability" and "customer value creation through ESG-driven management" which are the most important themes for our business.

During the fiscal year ended April 30, 2024, although normalization after COVID-19 has progressed, concerns about a potential economic recession remained strong due to prolonged inflation, which has continued since the previous fiscal year, and heightened interest rates in the United States, Europe, and other countries. Accordingly, equity markets, interest rates, and foreign exchange rates remain volatile, and continue to face uncertainty.

With regards to the OOS business environment, we observed acceleration in technology developments and policies driven by international organizations, industry groups and governments across the globe. Awareness of the space debris issue, demand for a framework and commercialization of OOS and initiative on space sustainability increased significantly on the back of growing discussions among and announcements from global actors including space agencies. In May 2023, the G7 Leaders' Communiqué at the G7 Hiroshima Summit 2023 expressed commitment to the safe and sustainable use of outer space and highlighted orbital debris as an urgent issue. In addition, it strongly encouraged further research and development of orbital debris mitigation and remediation technologies, and development of national guidelines and regulatory frameworks for remediation. Global governments and other international organizations were also active in such regulatory activities.

On the back of growing momentum to drive demand for commercial OOS from both government and private companies, we have strengthened our manufacturing capacity with the relocation of the Group's Japanese office in May 2023. This was one of the factors contributing to the award of the ISSA mission from the Ministry of Education, Culture, Sports, Science and Technology (MEXT). Also, in June 2023, we established our new French subsidiary, Astroscale France SAS, and in October 2023, selected Toulouse as OOS technical hub aiming to capturing increasing demand in Europe. We intend to expand our local team to drive technology development for OOS. In addition, in July 2023, our U.S. subsidiary Astroscale U.S. Inc. obtained a facility clearance allowing it to participate in classified projects in the United States, leading to the award of a contract from the U.S. Space Systems Command in September 2023.

The Group's overall operation is comprised of a single business unit of On-orbit Servicing Business and segment information is therefore not available. As a result of our efforts to drive technological advancement and business development as well as regulatory initiatives including policy recommendations for foreign governments during the year, the following progress have been made across the four on-orbit services; End-of-Life (EOL), Active Debris Removal (ADR), Life Extension (LEX), and In-situ Space Situational Awareness (ISSA):

The progress of the Group's main mission pipelines during the fiscal year ended April 30, 2024, is as follows.

Project	Service	Progress
ELSA-d	-	ELSA-d which was launched in March 2021 has finalized the de-orbit operations using the remaining operational thrusters and completed the mission in January 2024. Although the technologies demonstrated by the ELSA-d mission are only part of the technologies required for the on-orbit services developed by the Group, this mission successfully proved core technologies successfully including rendezvous and proximity operations (RPO) technology for non-cooperative objects.
ADRAS-J	ISSA	Our Japanese subsidiary Astroscale Japan Inc. has confirmed the successful launch of its commercial debris inspection demonstration satellite, Active Debris Removal by Astroscale-Japan (ADRAS-J) for Phase I of JAXA's Commercial Removal of Debris Demonstration (CRD2) project, in February 2024. ADRAS-J successfully approached several hundred meters to the debris. Based on our understanding, this mission is the first mission ever to directly observe a piece of debris on orbit.
ELSA-M	EOL	Our U.K. subsidiary Astroscale Ltd, through its partnership with a global satellite communications provider, Network Access Associates Limited (Eutelsat OneWeb), is leading the development of ELSA-M, a satellite with advanced capabilities of ELSA-d, which has been successfully demonstrated in orbit, that can remove multiple satellites in a single mission. This mission is funded by ESA as the Sunrise Programme to develop technologies for future generation telecommunication. Astroscale Ltd has been awarded and currently proceeding with Sunrise Phase 3 (approx. €14.8 million*) and has submitted a bid for Phase 4. The Group is currently engaged in negotiations with a number of satellite companies, including satellite constellations, as well as governments on installing docking plates with an eye on future commercial service, earning the attention of governments and commercial satellite companies. It has been agreed that Eutelsat OneWeb and Orbit Fab, Inc. will install docking plates to their satellites. Globalstar, Inc. has decided to install docking plates made by another company that ELSA-M can magnetically capture. In July 2023, a partnership agreement was concluded to install the Group's docking plates on satellites manufactured by Astro Digital US Inc. Furthermore, changes in the regulatory environment, such as the FCC's 5-year rule and the FCC's fine against DISH Operating L.L.C., have increased the need for docking plates, and we have begun negotiations with several companies.
COSMIC	ADR	Astroscale Ltd has been developing the Cleaning Outer Space Mission through Innovative Capture (COSMIC) Phase B funded by the UK Space Agency (approx. £2.0 million*) and completed System Requirement Review (SRR) in September 2023 and the payload Preliminary Design Review (PDR) in April 2024.

SBIR	ISSA	Astroscale Japan Inc. has been selected by the MEXT under the SBIR program for a large-scale technology demonstration project for developing technologies to reduce space debris in September 2023. The maximum grant amount for Phase 1 of the project is ¥2.69 billion, and a maximum of ¥12 billion will be granted in aggregate through all phases of the project (*).
APS-R	LEX	Astroscale U.S. Inc. has been awarded a program from Space Systems Command to develop a prototype satellite for refueling on geostationary orbit (approx. $25.5 million*) in September 2023.
ADRAS-J2	ADR	Astroscale Japan Inc. completed the Front-Loading Technology Study in Phase II of the JAXA's Commercial Removal of Debris Demonstration (CRD2) Project and selected as the commercial partner for Phase II of CRD2 Project in April 2024. This program is a follow-on mission of Phase I of CRD2 which is under demonstration. It will include capture and deorbit in addition to the rendezvous operations to approach and observe an upper stage of a Japanese rocket body.
LEXI-P	LEX	Astroscale U.S. is leading the development of LEXI-P, our first commercial life extension servicer, having completed the payload Preliminary Design Review (PDR) and mission PDR and entering the Critical Design Review (CDR) phase of development. The team has selected a bus supplier, completed the bus PDR, and will further accelerate the development going forward. Astroscale U.S. Inc. has been negotiating with a certain customer to provide LEX service and has agreed and signed a non-binding term sheet which outlines the main contract terms and conditions in December 2023 (Expected contract amount: $121 million*).

(*) We have listed contract values with respect to binding contracts, or projected contract amounts with respect to phases not yet subject to binding contracts, and our actual revenue may differ from these amounts for numerous reasons, including that we may fail to complete relevant milestones, customers may terminate prior to completion and, with respect to un-contracted phases, that we may not be able to conclude binding contracts on the terms we anticipate or at all.

The Company did not record significant revenue in the current fiscal year, since it is focusing on its function as a holding company. The Company's operating results for the current fiscal year were an operating loss of 1,479 million yen, ordinary loss of 6,356 million yen, and net loss of 8,004 million yen.

(2) Capital Expenditures

We did not record any significant capital expenditures during the fiscal year ended April 30, 2024. The Company is a holding company and has no major facilities.

(3) Financing

1. Series G Additional Funding

Pursuant to the resolution at the Board of Directors meeting held on September 29, 2023, the Company issued new shares by way of third-party allotment as follows. Payment of the proceeds was completed on October 6, 2023.

Number and type of shares issued	800,000 shares of Class G Preferred Shares
Issue price	9.4350 U.S. dollars per share (1,250 yen per share if the payment currency is Japanese yen)
Total amount	1,000 million yen

2. Revolving Credit Facility Agreement

Pursuant to the resolution at the Board of Directors meeting held on February 7, 2024, the Company entered into the following Revolving Credit Facility Agreement with MUFG Bank, Ltd for the purpose of working capital financing.

Use of proceeds	Working capital
Lender	MUFG Bank, Ltd.
Facility Limit	5 billion yen
Interest	Base rate + Spread
Contract Date	March 15, 2024
Commitment Period	From May 1, 2024 to April 30, 2027
Maturity Date	April 30, 2027
Collateral and guarantee	Collateral: None Guarantee: Guarantee by a subsidiary of the borrower
Covenants	1. Maintain total net assets on the consolidated balance sheet at zero or more yen as of the end of each quarter. 2. Maintain cash and cash equivalents plus estimated future income* at the end of each quarter at an amount equal to or greater than the total principal amount borrowed.
Other requirements	1. Maintain Mitsunobu Okada as the President and Representative Director of the Company, except in cases of unavoidable circumstances such as mental or physical disability. 2. Maintain that no shareholder other than Mitsunobu Okada holds more than 33.4% of the total voting rights of the borrower.

(*) The amount of the total contract amount described in each project agreement submitted by the borrower to the lender, less any contract amount received (remaining contract amount), of which the lender has determined that there is no doubt as to the soundness of the remaining contract amount.

3. Subordinated Loan Agreement

Pursuant to the resolution at the Board of Directors meeting held on February 7, 2024, the Company entered into the following Subordinated Loan Agreement with MUFG Bank, Ltd for the purpose of research and development financing.

Use of proceeds	Research and development
Lender	MUFG Bank, Ltd.
Borrowing amount	2 billion yen
Interest	Base rate + Spread
Contract Date	March 15, 2024
Borrowing Period	From May 27, 2024 to May 27, 2029
Maturity Date	May 27, 2029
Collateral and guarantee	Collateral: None Guarantee: Guarantees by subsidiaries of the borrower
Covenants	1. Maintain total net assets on the consolidated balance sheet at zero or more yen as of the end of each quarter. 2. Maintain cash and cash equivalents plus estimated future income* at the end of each quarter at an amount equal to or greater than the total principal amount borrowed.
Other requirements	1. Maintain Mitsunobu Okada as the President and Representative Director of the Company, except in cases of unavoidable circumstances such as mental or physical disability. 2. Maintain that no shareholder other than Mitsunobu Okada holds more than 33.4% of the total voting rights of the borrower. 3. In case the Borrower's consolidated EBITDA for the fiscal year ending April 30, 2027 is found to be negative, the Borrower shall submit to the Lender a reasonable improvement plan for its business plan promptly after it is known.

(*) The amount of the total contract amount described in each project agreement submitted by the borrower to the lender, less any contract amount received (remaining contract amount), which will be received by the maturity date and for which the lender has determined that there is no doubt as to the soundness of the remaining contract amount.

(4) Issues to be Addressed

The OOS market is a growing but nascent market, and the environment surrounding the Group entails significant uncertainty. In addition, space related businesses in general require significant time to conduct research and development, develop business, manufacture, launch and operate satellites.

On the other hand, since 2020, there is increasing focus on the contamination of the space environment and public recognition of the need to enhance space sustainability. In 2022, Space Sustainability Summit was held in the United Kingdom where the British government announced new measures for space sustainability. Additionally, the US government declared the "National Orbital Debris Implementation Plan". In May 2023, the G7 Leaders' Communiqué at the G7 Hiroshima Summit 2023 expressed the commitment towards safe and sustainable use of outer space. It can be said that the sustainable use of outer space has become one of the major issues to consider for developed nations.

In response to this situation, a number of companies around the world have announced their intention to enter the OOS market, which they see as a growing market, the Group has established its position as the leader in driving technology advancements. Our challenge is to continue developing technology and business, impacting global policy and generating stable cash flow amid an increasingly competitive environment. In order to address this challenge and achieve sustainable growth over the mid to long term, the Group is pursuing the following initiatives.

Technology Development

OOS satellite manufacturing, launching and operating are extremely complex. While we perform numerous tests on the ground during the development process, based on simulated space environments before launch, there is a risk of mission failure in outer space due to unexpected anomalies that affect the entire system. Developing cutting-edge technology while being subject to cost and schedule constraints as well as government requirements relating to licensing and offering details is an extremely difficult task.

Therefore, we perform reviews based on development milestones, establish and document our quality assurance guidelines as a Group in an effort to achieve a development process that can be repeated and enhanced over time.

Our core technologies, including the RPO technology for non-cooperative objects, are designed and developed in-house, and this allows the Group to continuously improve the technologies. Due to the development of RPO technology for non-cooperative objects, the Group is expanding new service choices for the satellite operators.

In order to secure the superiority of our in-house technologies, the Group regularly updates the long-term technology roadmap and intends to further strengthen in-house research and development and the position of our intellectual property.

Business Development

In order to capture business opportunities from governments and space agencies, it is necessary to have bases in key regions of the world in the space industry, and for each base to have close relationships and deepen relations with governments, space agencies, and the space industry in each country and region.

In the space industry, governments, space agencies, and private companies are all formulating policies and business plans on a multi-year to multi-decade basis. With regard to services such as EOL, ADR, LEX, and ISSA, the Group will engage in discussions with potential customers from a medium- to long-term perspective to understand customer needs for its core RPO technology and the timing of service provision.

Since the OOS market is in its early stages, the Group will accelerate its business by ensuring the execution of acquired business opportunities and stimulating new demand while embodying the value it provides on a global scale. We will also allocate resources to discussions on the creation of laws and regulations, as described below, and contribute globally to revitalize on-orbit services and quickly realize our mission of sustainable

use of space.

Influencing Policy

The development of laws and regulations to create the environment necessary for debris removal can be divided into two aspects. The first is "rulemaking," or the development of a framework consisting of national space law policies and international bilateral and multilateral cooperation that contributes to the sustainable use of space, and the second is "standardization," or the establishment of standards for the design and operation of spacecraft that contribute to the sustainable use of space.

a. Rulemaking

Rulemaking entails not only creating domestic rules/legislation on mitigating the increase of space debris or pursuing debris removal but also fostering debris removal on a global scale by establishing international cooperation between countries in the long term.

For example, nations can implement regulations to prevent further increase in debris by implementing enforceable domestic rules/legislation on mission and spectrum licenses. Nations can also create policies that provide roadmaps on future action pertaining to existing debris, leading to actual debris reduction and removal.

Since the 2000s, debris reduction has been discussed by international organizations such as the Inter-Agency Space Debris Coordination Committee (IADC) and the UN Committee on the Peaceful Uses of Outer Space (COPUOS). The United States, Europe, Japan, and other countries have been discussing further measures to reduce debris, and we are participating in these discussions as much as possible.

For example, in the United States, in light of the worsening debris problem, the FCC issued a notice of proposed rulemaking for spectrum licensing that aims to revise orbital debris mitigation guidelines initially issued in 2004. With respect to the notice of proposed rulemaking, the Group brought together seven companies in the United States and issued a combined comment from a total of eight companies in February 2019. The joint comment was widely referenced among stakeholders in the United States and was mentioned in the revised notice of proposed rulemaking issued by the FCC in April 2020. FCC declared the shortening of the so-called “25-year rule” (An industry guideline for satellites that orbit the altitude of 2,000km or less to enter the atmosphere within 25 years after the end of operation) to 5 years in September 2022. Furthermore, the FCC issued a draft public notice of proposed legislation on a framework for on-orbit service authorization in January 2024.

Office of Science and Technology Policy of the United States has announced the “National Orbital Debris Implementation Plan” and regarded three pillars for space sustainability: debris mitigation (reduction of increase of debris) tracking and characterization of debris (to avoid collision), and remediation of debris (reduction of existing debris) and identified 44 specific actions. In addition, ADR programs have been initiated in Japan, the EU, the UK, and France since 2020, and in 2022, a bipartisan bill to promote debris removal (The Orbital Sustainability Act of 2022) has been introduced in the U.S. Congress, and momentum to promote ADR is growing worldwide.

In Europe, as an initiative for space agency space activities, ESA published in 2022 its Zero Debris Approach, which aims to halt debris generation in Earth and lunar orbit by 2030. Based on this, in November 2023, ESA reviewed and published the ESA Space Debris Mitigation Requirements, a set of technical guidelines that set forth requirements for debris mitigation. In the same month, ESA took the lead in publishing the "Zero Debris Charter", which was jointly developed by 40 organizations, including private companies. The Charter defines the basic principles and targets for achieving zero debris generation by 2030.

In the U.K., in June 2023, His Majesty King Charles III published the “Astra Carta”, which aims to create a framework to promote sustainability in space.

In addition, at the November 2023 Radiocommunication Assembly of the International Telecommunication Union (ITU), one of the specialized agencies of the United Nations, it was resolved to study "guidance on safe and efficient deorbit and/or disposal strategies and methodologies" for satellites in low earth orbit, taking into account new technologies such as in-orbit services, including debris removal (Resolution ITU-R 74).

In Japan, the Cabinet Office released in February 2024 a guidebook on space debris mitigation for companies, universities, and other parties planning to develop and operate satellites and rockets, and further education on the prevention of space debris generation has begun.

Thus, efforts by major countries and international organizations to address the debris problem for the sustainable use of space have moved from the proposal and consideration stage to the implementation stage.

b. Standardization

Discussions on international standardization of satellite design and operations encompass a wide range of topics such as collision avoidance, post-mission disposal, passivation, debris mitigation, launch service selection, debris removal service, cyber security, and RPO safety measures and information sharing. These topics are discussed at various fora such as international bodies, governments, NPOs, etc.

As a company with cutting-edge technology, standardization is one of the highest priorities for the Group. We have a global policy team in Japan, the United States, the United Kingdom and France that actively participates in key groups leading standardization discussions. Through our leadership positions in select groups, we have established a unique position in the industry. We aim to contribute to a well-balanced solution based on global discussions and trends and create industry best practices by reflecting such advanced discussions into the missions of the Group.

The below are some examples of standardization groups that we actively participate in.

(i) The Consortium for Execution of Rendezvous and Servicing Operations (CONFERS)

CONFERS is an industry group established with a seed investment from Defense Advanced Research Projects Agency (DARPA) of the United States Department of Defense. They are an industry-led initiative that identifies and leverages best practices from the government and industry for RPO and OOS operations. Best practices are expected to be adopted by standardization organizations such as ISO. The Group has participated as a key member since establishment and is now an Executive Member.

(ii) Space Safety Coalition (SSC)

The founding of SSC was led by the largest U.S. satellite industry group Global VSAT Forum (GVF) and its members. The Group has since then reorganized into a new coalition called the Space Safety Coalition, which publishes the “Best Practices for the Sustainability of Space Operations” endorsed and signed by 34 companies.

(iii) Space Sustainability Rating

This project created by the World Economic Forum (WEF), our management team also being a member, aims to provide ratings on space missions from the viewpoint of sustainable use of space. Similar to S&P in finance or LEED in construction, discussions on rating methodologies are initiated by the ESA and Massachusetts Institute of Technology and currently, the Ecole Polytechnique Fédérale de Lausanne (EPFL) Space Center in Switzerland is playing a key role in the trial phase.

Permits and licenses

The Group strives to obtain the necessary permits and licenses and to comply with applicable laws and regulations of each country.

Generally, a mission license is obtained by satisfying the technical, safety, and other requirements of the authorities of the country in which the entity operating the satellite is located. A mission license was obtained from UKSA for ELSA-d and from the Cabinet Office for ADRAS-J. Japan is the registration country for both ELSA-d and ADRAS-J.

Necessary procedures for the use of frequencies for communication with satellites are also established in the laws and regulations of each country in accordance with the ITU regulations. In the case of Japan, based on the Radio Act, we obtain a license by applying to the Minister of Internal Affairs and Communications after so-called international frequency coordination via the Ministry of Internal Affairs and Communications to ensure that harmful interference is not caused to ground stations in other countries (or are not interfered by other countries). In addition, for the use of ground stations (antennas, data transmitting/receiving devices, etc. installed on the ground for communication with satellites) necessary for satellite operations, it is necessary to obtain the necessary permission for each country where the ground station is located. The Group has obtained permission from Japan, the U.S., Canada, and several other countries for the operation of ELSA-d and ADRAS-J. Additionally, the Group has obtained other necessary export control permits and licenses for the transportation of hazardous materials, etc.

Future EOL, ADR, LEX, and ISSA missions will also be required to obtain the above permits and licenses.

In addition to obtaining such permits and licenses required by existing laws and regulations, the Group is voluntarily working to ensure transparency in the objectives and operation of its missions, given that RPO technology is an advanced technology. In addition to the submission of papers and presentations at international conferences, we disclose the objectives and details of ELSA-d and ADRAS-J missions through exhibitions, various lectures, SNS, and public relations activities through the media, and also provide necessary explanations to government officials and others. Furthermore, both satellites are equipped with a retro-reflector, which is a mechanism with laser reflection and is designed to reveal their position in orbit from the ground.

We have also contracted with the world's leading Space Situational Awareness (SSA) providers to assess the risk of potential collision between our satellites and debris and to avoid collisions.

Insurance composition will be handled on a mission-by-mission basis, based on how responsibility is shared with the customer and premium rates. For example, ELSA-d is a self-funded mission, and we purchased launch insurance in case of launch failure, mission insurance in case of mission failure, and third-party liability insurance in case of damage to a third party on orbit. ADRAS-J has purchased only on-orbit third-party liability insurance.

Article 6 of the so-called Outer Space Treaty stipulates that even non-governmental organizations (companies, research institutes, etc.) shall be internationally liable for their own space activities, and the Convention on International Liability for Damage Caused by Space Objects provides specific provisions for international liability for damage caused by space activities. However, there is no sufficient national implementation of the specifics of how responsibility should be shared among multiple launch countries, and the current situation is also unclear regarding how private entities should be responsible (i.e., the relationship between the countries concerned and private entities, and the sharing of responsibility among private companies, etc.). Therefore, although the Group reduces these risks in advance by means of insurance, there is a possibility that the Group may be held liable in the future for damages unforeseen at the time of the mission, despite the insurance arrangements.

Fundraising

The Group has been engaged in research and development of satellites and space equipment that require

significant advanced investment and a long development period, and has recorded losses before taxes for consecutive fiscal years since the fiscal year ended April 2020. The Company will need to ensure fundraising in order to accelerate the development of satellites for on-orbit services and to continue to make advanced investments to expand the application of the Group's technologies to deal with a wide variety of target debris. To this end, the Company intends to secure and expand its funding sources by obtaining the necessary funds through a stock listing and diversifying its funding sources.

Recruiting

The Group engages in development of advanced technologies required for OOS, designing, manufacturing and testing of satellites, and operating of satellites in-house. Therefore, in order to advance our development of multiple service lines through satellite development and expansion of technology application, we need to secure appropriate human resources.

We seek to further enhance our brand recognition through listing of our stock and other means, and pursue aggressive recruiting activities, both for new graduates and mid-career hires. In addition, to secure long-term employment, we intend to develop human resources by enhancing education and training in-house.

Generating Stable Cash Flow

The Group aims to focus on OOS by leveraging our advanced technologies such as the RPO technology towards multiple services. We seek to generate stable cash flow by maximizing the potential of our developed technology to provide cost efficient solutions for space debris and active satellites.

Our goal is to solve the issues presented in our operating environment while continuously enhancing shareholder value and making disciplined growth investments based on the stable cash flow from OOS simultaneously.

(5) Assets and profit/loss

		3rd period Fiscal Year ended April 2021	4th period Fiscal Year ended April 2022	5th period Fiscal Year ended April 2023	6th period (Current) Fiscal Year ended April 2024
Revenue	(thousand yen)	110	396	6,708	987
Ordinary loss	(thousand yen)	(1,248,789)	(5,466,927)	(9,350,844)	(6,356,757)
Net loss	(thousand yen)	(17,886,772)	(5,460,145)	(12,784,164)	(8,004,085)
Earnings per share	(yen)	(266.93)	(73.34)	(153.40)	(88.44)
Total assets	(thousand yen)	9,282,202	17,879,664	20,352,003	19,739,608
Total net assets	(thousand yen)	9,218,313	16,271,805	13,744,108	6,836,764
Net assets per share	(yen)	(182.84)	197.32	(398.24)	73.03

Note: The Company conducted a 100-for-1 stock split of its common stock on March 4, 2022. With respect to this stock split, net assets per share and earnings per share are calculated on the assumption that the stock split was executed at the beginning of the fiscal year ended April 30, 2021.

(6) Significant Parent Company and Subsidiaries

(i) Relationship with Parent Company

Not applicable.

(ii) Significant Subsidiaries

Company Name	Location	Share Capital	Investment Ratio	Major Businesses
Astroscale Japan Inc.	Sumida Ward, Tokyo	10,000 thousand yen	Direct 100.00%	On-orbit servicing business
Astroscale Ltd	Oxfordshire, UK	100 GBP	Direct 100.00%	On-orbit servicing business
Astroscale U.S. Inc.	Colorado, US	100 USD	Direct 100.00%	On-orbit servicing business
Astroscale France SAS	Toulouse, France	100,000 EUR	Direct 100.00%	On-orbit servicing business
Astroscale Israel Ltd.	Tel Aviv, Israel	100 ILS-	Indirect 100.00%	On-orbit servicing business

Note: The Singapore subsidiary Astroscale Singapore Pte. Ltd. is dormant.

(7) Major Businesses

On-orbit servicing business

(8) Main Offices

Name	Location
Headquarters	Sumida Ward, Tokyo

(9) Employees (as of April 30, 2024)

Number of employees	Change from the end of the previous period
31 persons	Increase of 7 persons

(10) Major Lenders

Lender	Balance of borrowings
MUFG Bank, Ltd.	7,000,000 thousand yen
Mizuho Bank, Ltd.	2,388,000 thousand yen

Note 1: The Company has an overdraft agreement (facility limit: 3,000,000 thousand yen / transaction period: from May 1, 2023 to June 30, 2026) with Mizuho Bank, Ltd. to expand its financing sources. The remaining facility is 612,000 thousand yen at the end of the fiscal year.

Note 2: The Company has a revolving credit facility agreement (credit limit: 3,000,000 thousand yen / transaction period: from May 1, 2023 to April 30, 2025) with MUFG Bank, Ltd. to strengthen its financial base. The remaining facility is 3,000,000 thousand yen at the end of the fiscal year.

Note 3: The Company has a revolving credit facility agreement (credit limit: 5,000,000 thousand yen / transaction period: from May 1, 2024 to April 30, 2027) with MUFG Bank, Ltd. to strengthen its financial base. The remaining facility is 5,000,000 thousand yen at the end of the fiscal year.

(11) Other important matters pertaining to the current state of the Company

Not applicable.

2. Matters Relating to Shares of the Company (as of April 30, 2024)

(1) Total number of shares authorized to be issued

Common share 320,000,000 shares

(2) Total number of shares issued and outstanding

Common share 90,859,200 shares

(3) Number of shareholders

67

(4) Major Shareholders (Top 10)

Shareholder's Name	Number of shares held (shares)	Shareholding ratio (%)
Mitsunobu Okada	27,600,300	30.38
INCJ, Ltd.	17,041,200	18.76
JAFCO SV4 Investment Limited Partnership	4,405,000	4.85
Goonies Co., Ltd.	3,239,700	3.57
AS aSTART 1 Limited Partnership	2,950,200	3.25
Mitsubishi Electric Corporation	2,649,700	2.92
Space aSTART 1 Limited Partnership	2,597,000	2.86
Japan Growth Capital Investment Corporation	2,523,700	2.78
THE FUND Limited Partnership	1,977,500	2.18
MMA LPS	1,392,800	1.53

(5) Shares issued to corporate officers as compensation for the execution of their duties during the fiscal year under review

Not applicable.

(6) Other important matters relating to shares of the Company

Not applicable.

3. Matters Pertaining to Share Acquisition Rights, etc. of the Company

(1) Share Acquisition Rights, etc. granted as compensation for the execution of duties held by the Company's Directors and Corporate Auditors as of the end of the current fiscal year

Name	Series 3 Share Acquisition Rights	Series 7 Share Acquisition Rights
Date of resolution to issue	January 24, 2019	December 9, 2021
Holdings of the Directors		
Number of share acquisition rights	26,109	2,200
Number of people held		
Directors (except Outside Directors)	1	1 (*1)
Outside Directors	－	－
Class and number of shares to be issued upon exercise of share acquisition rights (*3)	2,610,900 common shares (100 shares per share acquisition right)	220,000 common shares (100 shares per share acquisition right)
Amount to be paid in for share acquisition rights	No payment is required in exchange for share acquisition rights.	No payment is required in exchange for share acquisition rights.
Amount of assets to be provided for the exercise of share acquisition rights (*3)	29,100 yen per unit (291 yen per share)	86,200 yen per unit (862 yen per share)
Exercise period of share acquisition rights	From February 1, 2019 To July 31, 2026 (*4)	From December 17, 2023 To December 9, 2028
Major conditions for exercising	(*5)	(*5)

Name	Series 7 (2nd) Share Acquisition Rights	Series 7 (3rd) Share Acquisition Rights
Date of resolution to issue	January 4, 2022	January 17, 2022
Holdings of the Directors		
Number of share acquisition rights	200	200
Number of people held		
Directors (except Outside Directors)	1 (*1)	－
Outside Directors	－	2 (*2)
Class and number of shares to be issued upon exercise of share acquisition rights (*3)	20,000 common shares (100 shares per share acquisition right)	20,000 common shares (100 shares per share acquisition right)
Amount to be paid in for share acquisition rights	No payment is required in exchange for share acquisition rights.	No payment is required in exchange for share acquisition rights.
Amount of assets to be provided for the exercise of share acquisition rights (*3)	86,200 yen per unit (862 yen per share)	86,200 yen per unit (862 yen per share)
Exercise period of share acquisition rights	From January 6, 2024 To December 9, 2028	From January 25, 2024 To December 9, 2028
Major conditions for exercising	(*5)	(*5)

Name	Series 9 Share Acquisition Rights
Date of resolution to issue	January 16, 2024
Holdings of the Directors Number of share acquisition rights Number of people held Directors (except Outside Directors) Outside Directors Class and number of shares to be issued upon exercise of share acquisition rights (*3)	 100 － 1 10,000 common shares (100 shares per share acquisition right)
Amount to be paid in for share acquisition rights	No payment is required in exchange for share acquisition rights.
Amount of assets to be provided for the exercise of share acquisition rights (*3)	100,000 yen per unit (1,000 yen per share)
Exercise period of share acquisition rights	From January 24, 2026 To January 5, 2031
Major conditions for exercising	(*5)

(*1) The Series 7 Share Acquisition Rights and the Series 7 (2nd) Share Acquisition Rights held by one Director of the Company were granted prior to their appointment as Director.

(*2) The Series 7 (3rd) Share Acquisition Rights held by two Outside Directors of the Company were granted prior to their appointment as Outside Directors.

(*3) By resolution of the Board of Directors meeting held on February 14, 2022, the Company conducted a 100-for-1 stock split of shares of common share on March 4, 2022. As a result, "Class and number of shares to be issued upon exercise of share acquisition rights" and "Amount of assets to be provided for the exercise of share acquisition rights (per share)" have been adjusted.

(*4) By resolution of the Board of Directors meeting held on October 14, 2022, and the Extraordinary General Meeting of Shareholders held on October 31, 2022, the Company approved the extension of the exercise period of the Share Acquisition Rights.

(*5) The conditions for exercising share acquisition rights are as follows:

1. The exercise of the share acquisition rights shall be subject to the condition that none of the events of acquisition set forth in (a) or (b) below has occurred to the holder of the share acquisition rights (hereinafter referred to as the "Share Acquisition Rights Holder"). However, this shall not apply in cases where the Board of Directors of the Company specifically approves the exercise of such rights.
   (a) In the event that (i) merger agreement for a merger in which the Company is the dissolving company, (ii) absorption-type demerger agreement or incorporation-type demerger plan for an absorption-type demerger in which the Company will be the demerged company (however, this is limited to cases where all or substantially all of the assets of the Company are to be succeeded to.), (iii) share exchange agreement for a share exchange in which the Company becomes a wholly owned subsidiary, (iv) a share transfer plan whereby the Company becomes a wholly owned subsidiary of another company, (v) an amendment to the Articles of Incorporation to provide that the Company may acquire all of the class of shares underlying the share acquisition rights by a resolution of the General Meeting of Shareholders of the Company, (vi) reverse stock split of shares of the class of shares underlying the share acquisition rights (In cases where the Company has stipulated in its Articles of Incorporation the number of shares constituting one unit of shares of the relevant class of shares, the number shall be limited to the number obtained by multiplying the number of shares constituting one unit by the ratio of the consolidation of shares, resulting in a fraction less than one.) or (vii) a demand for sale of shares by a special controlling shareholder are approved at a general meeting of shareholders of the Company (if approval by a general meeting of shareholders is not required, upon resolution by the Board of Directors of the Company), the Company may acquire the share acquisition rights without consideration on a date separately determined by the Board of Directors of the Company.
   (b) In the event that the share acquisition rights are no longer exercisable pursuant to the provisions of the agreement between the Company and the Share Acquisition Rights Holder, the Company may acquire the share acquisition rights held by such Share Acquisition Rights Holder without consideration on a date separately determined by the Board of Directors of the Company.
2. These share acquisition rights shall be exercised in units of one share acquisition right, and partial exercise of each share acquisition right shall not be permitted.
3. Other conditions shall be as set forth in the agreement to be entered into between the Company and the right holders pursuant to resolutions of the General Meeting of Shareholders and the Board of Directors.

(2) Share acquisition rights, etc. issued to the Company's employees, etc. as compensation for the execution of their duties during the fiscal year under review

Name	Series 9 Share Acquisition Rights	Series 9 (2nd) Share Acquisition Rights
Date of resolution to issue	January 16, 2024	February 7, 2024
Number of share acquisition rights	19,060	2,000
Number of grantees Employees of the Company Directors of subsidiaries Employees of subsidiaries External collaborators	 12 1 164 －	 － － － 1
Class and number of shares to be issued upon exercise of share acquisition rights	1,906,000 common shares (100 shares per share acquisition right)	200,000 common shares (100 shares per share acquisition right)
Amount to be paid in for share acquisition rights	No payment is required in exchange for share acquisition rights.	No payment is required in exchange for share acquisition rights.
Amount of assets to be provided for the exercise of share acquisition rights	100,000 yen per unit (1,000 yen per share)	100,000 yen per unit (1,000 yen per share)
Exercise period of share acquisition rights	From January 24, 2026 To January 5, 2031	From February 9, 2026 To January 5, 2031
Major conditions for exercising	(*2)	(*2)

Name	Series 9 (3rd) Share Acquisition Rights	Series 10 Share Acquisition Rights
Date of resolution to issue	February 7, 2024	February 7, 2024
Number of share acquisition rights	550	2,160
Number of grantees Employees of the Company Directors of subsidiaries Employees of subsidiaries External collaborators Other	 1 － 3 － －	 － － － － 1 (*1)
Class and number of shares to be issued upon exercise of share acquisition rights	55,000 common shares (100 shares per share acquisition right)	216,000 common shares (100 shares per share acquisition right)
Amount to be paid in for share acquisition rights	No payment is required in exchange for share acquisition rights.	No payment is required in exchange for share acquisition rights.
Amount of assets to be provided for the exercise of share acquisition rights	100,000 yen per unit (1,000 yen per share)	100,000 yen per unit (1,000 yen per share)
Exercise period of share acquisition rights	From February 9, 2026 To January 5, 2031	From February 9, 2026 To January 5, 2031
Major conditions for exercising	(*2)	(*2)

(*1) As an incentive plan for the officers and employees of our subsidiary Astroscale Israel Ltd., we granted share acquisition rights to a trust company located in the country in order to meet Israeli tax qualification requirements.

(*2) The conditions for exercising share acquisition rights are as follows:

1. The exercise of the share acquisition rights shall be subject to the condition that none of the events of acquisition set forth in (a) or (b) below has occurred to the holder of the share acquisition rights (hereinafter referred to as the "Share Acquisition Rights Holder"). However, this shall not apply in cases where the Board of Directors of the Company specifically approves the exercise of such rights.
   (a) In the event that (i) merger agreement for a merger in which the Company is the dissolving company, (ii) absorption-type demerger agreement or incorporation-type demerger plan for an absorption-type demerger in which the Company will be the demerged company (however, this is limited to cases where all or substantially all of the assets of the Company are to be succeeded to.), (iii) share exchange agreement for a share exchange in which the Company becomes a wholly owned subsidiary, (iv) a share transfer plan whereby the Company becomes a wholly owned subsidiary of another company, (v) an amendment to the Articles of Incorporation to provide that the Company may acquire all of the class of shares underlying the share acquisition rights by a resolution of the General Meeting of Shareholders of the Company, (vi) reverse stock split of shares of the class of shares underlying the share acquisition rights (In cases where the Company has stipulated in its Articles of Incorporation the number of shares constituting one unit of shares of the relevant class of shares, the number shall be limited to the number obtained by multiplying the number of shares constituting one unit by the ratio of the consolidation of shares, resulting in a fraction less than one.) or (vii) a demand for sale of shares by a special controlling shareholder are approved at a general meeting of shareholders of the Company (if approval by a general meeting of shareholders is not required, upon resolution by the Board of Directors of the Company), the Company may acquire the share acquisition rights without consideration on a date separately determined by the Board of Directors of the Company.
   (b) In the event that the share acquisition rights are no longer exercisable pursuant to the provisions of the agreement between the Company and the Share Acquisition Rights Holder, the Company may acquire the share acquisition rights held by such Share Acquisition Rights Holder without consideration on a date separately determined by the Board of Directors of the Company.
2. These share acquisition rights shall be exercised in units of one share acquisition right, and partial exercise of each share acquisition right shall not be permitted.
3. Other conditions shall be as set forth in the agreement to be entered into between the Company and the right holders pursuant to resolutions of the General Meeting of Shareholders and the Board of Directors.

(3) Other important matters pertaining to share acquisition rights

Not applicable.

4. Matters pertaining to Directors and Corporate Auditors of the Company

(1) Names, etc. of Directors and Corporate Auditors (as of April 30, 2024)

Position and Responsibilities	Name	Important Concurrent Positions
Representative Director, President and CEO	Mitsunobu Okada	Director of Astroscale Japan Inc. Director of Astroscale Ltd Director of Astroscale Singapore Pte. Ltd. Director of Astroscale France SAS
Director and COO	Christopher Blackerby	Director of Astroscale Japan Inc. Director of Astroscale Ltd Director of Astroscale Singapore Pte. Ltd. Director of Astroscale France SAS
Director and CFO	Nobuhiro Matsuyama	Director of Astroscale Japan Inc. Director of Astroscale France SAS
Director	Yuko Noguchi (Family Register Name: Yuko Suzuki)	Head of Legal, Google Japan Inc.
Director	Johann-Dietrich Wörner	President of German Academy of Science and Engineering
Director	Gayle Sheppard	Director of Nutanix, Inc.
Full-time Corporate Auditor	Takayuki Suzuki	Corporate Auditor of Astroscale Japan Inc. Outside Director (Audit and Supervisory Committee Member) of Prime Strategy Co., Ltd.
Corporate Auditor	Hisako Matsuda	Registered Foreign Lawyer at Oh-Ebashi LPC & Partners
Corporate Auditor	Haruka Ikeda	Outside Director (Audit and Supervisory Committee Member) of ValueCommerce Co., Ltd. Full-time Corporate Auditor of Paiza, Inc.

Note:

1. Yuko Noguchi, Johann-Dietrich Wörner and Gayle Sheppard are Outside Directors.
2. Takayuki Suzuki, Hisako Matsuda and Haruka Ikeda are Outside Corporate Auditors.
3. Corporate Auditor Hisako Matsuda is well versed in corporate legal affairs as a registered foreign lawyer and has sufficient knowledge to audit corporate governance.
4. Changes in directors during the current fiscal year are as follows.
   At the Annual General Meeting of Shareholders held on July 26, 2023, Nobuhiro Matsuyama, Gayle Sheppard and Erica Newland was newly elected and appointed as a Director. In addition, Outside Director Erica Newland resigned as of February 29, 2024, and Outside Director Shinji Oshige (Important Concurrent Positions: Executive Managing Director and Co-head of Venture Growth Investment Group, of INCJ, Ltd. and others) resigned as of April 1, 2024.
5. INCJ, Ltd. is a major shareholder of the Company. There are no other material relationships between the Company and other companies at which the outside officers concurrently hold positions.
6. Executive officers and management who do not concurrently serve as Directors are as follows.

Position and Responsibilities	Name
Chief Engineer	Gene Fujii
Chief Technology Officer	Mike Lindsay
General Counsel	Kaoru Kodama

(2) Summary of the contents of the liability limitation agreement

Pursuant to Article 427, Paragraph 1 of the Companies Act, the Company's Articles of Incorporation stipulate that the Company may enter into liability limitation contracts with Directors (excluding those who are Executive Directors, etc.) and Corporate Auditors to limit their liability for damages as stipulated in Article 423, Paragraph 1 of the same law. Based on this provision, the Company has entered into such contracts with all Outside Directors and Corporate Auditors.

The maximum amount of liability for damages under such contracts is the amount stipulated by law.

(3) Summary of indemnity agreement

Not applicable.

(4) Matters pertaining to Directors' and Corporate Auditors' Liability Insurance Contracts

The Company has entered into a Directors' and Corporate Auditors' Liability Insurance policy with an insurance company, as stipulated in Article 430-3, Paragraph 1 of the Companies Act, to indemnify the insured for damages and dispute expenses incurred by the insured as a result of claims for damages arising from acts including omissions committed by the insured, who are all Directors and Corporate Auditors including subsidiaries, including those who have already retired and those who have been newly appointed, in the course of his/her duties as a Director of the Company. The insurance policy covers compensation and litigation expenses incurred by the insured in the event of a claim for damages arising from the insured's acts as a Director or Corporate Auditor of the Company. Under the policy, the Company pays all premiums for all insured parties. The Company plans to renew the insurance policy in the middle of the term of office with the same terms and conditions.

(5) Amount of remuneration paid to Directors and Corporate Auditors for the current fiscal year

(i) Matters pertaining to the policy for determining the details of remuneration, etc. of individual Directors and Corporate Auditors

Remuneration for Directors and Corporate Auditors is determined within the limits of the respective remuneration limits for Directors and Corporate Auditors set by a resolution of the General Meeting of Shareholders. The amount of remuneration for each Director and each Corporate Auditor is determined based on comprehensive consideration of each officer's duties, performance and achievements. Remuneration for Directors is determined by a resolution of the Board of Directors, and that for Corporate Auditors is determined by the Board of Corporate Auditors based on discussions among the Corporate Auditors.

(ii) Matters pertaining to resolutions of the General Meeting of Shareholders regarding remuneration, etc. of Directors and Corporate Auditors

At the Annual General Meeting of Shareholders held on July 29, 2022, it was decided that the total amount of remuneration, etc. for Directors shall be within 200 million yen per year, and at the Extraordinary General Meeting of Shareholders held on December 20, 2018, it was decided that the total amount of remuneration, etc. for Corporate Auditors shall be within 20 million yen per year, respectively.

(iii) Matters pertaining to delegation of authority to determine the details of remuneration, etc. of individual Directors

At the Extraordinary General Meeting of Shareholders held on December 20, 2018, the Board of Directors decided to leave the specific amount of compensation for each Director to the Board of Directors.

(iv) Total amount, etc. of remuneration, etc. of Directors and Corporate Auditors

Position	The number of persons (persons)	Amounts by type of compensation (million yen)			Total (million yen)
		Base Remuneration	Performance-linked compensation, etc.	Non-monetary compensation, etc.	
Directors (Of which, Outside Directors)	8 (5)	104 (17)	– (–)	– (–)	104 (17)
Corporate Auditors (Of which, Outside Corporate Auditors)	3 (3)	10 (10)	– (–)	– (–)	10 (10)
Total	11	114	–	–	114

(6) Matters pertaining to Outside Directors and Outside Corporate Auditors

(i) Relations between the Company and other companies at which the Directors and Corporate Auditors hold important concurrent positions

The relations between the Company and other corporations at which the Directors and Corporate Auditors hold important concurrent positions are as described in "4. Matters pertaining to Directors and Corporate Auditors of the Company (1) Names, etc. of Directors and Corporate Auditors".

(ii) Relations with specified related parties, such as major business partners

There is nothing to report.

(iii) Major activities during the current fiscal year

Position	Name	Summary of major activities and expected roles of Outside Directors
Outside Director	Shinji Oshige	He attended 17 out of 17 meetings of the Board of Directors (excluding written resolutions) held during the fiscal year under review and made necessary statements on resolutions, deliberations, etc. as appropriate based on his extensive experience as a Director. The number of Board of Directors meetings attended differs from that of the other Directors due to his resignation on April 1, 2024.
Outside Director	Yuko Noguchi (Family Register Name: Yuko Suzuki)	She attended 18 out of 18 meetings of the Board of Directors (excluding written resolutions) held during the fiscal year under review and made necessary statements on resolutions, deliberations, etc. based on the extensive knowledge and experience gained as an attorney with legal expertise and as an executive officer of a global business company.

Outside Director	Johann-Dietrich Wörner	He attended 17 out of 18 meetings of the Board of Directors (excluding written resolutions) held during the fiscal year under review and made necessary statements on resolutions, deliberations, etc. based on broad insight into global space policy and the space industry gained from his experience as Director General of the European Space Agency (ESA).
Outside Director	Gayle Sheppard	She attended 12 out of 14 meetings of the Board of Directors (excluding written resolutions) held during the fiscal year under review and made necessary statements on resolutions, deliberations, etc. as appropriate based on her extensive management experience. The number of Board of Directors meetings attended differs from that of the other Directors because she was elected and appointed at the Annual General Meeting of Shareholders held on July 26, 2023.
Outside Director	Erica Newland	She attended 12 out of 12 meetings of the Board of Directors (excluding written resolutions) held during the fiscal year under review and made necessary statements on resolutions, deliberations, etc. as appropriate. The number of Board of Directors meetings attended differs from that of the other Directors because she was elected and appointed at the Annual General Meeting of Shareholders held on July 26, 2023 and resigned as of February 29, 2024.
Outside Corporate Auditor	Takayuki Suzuki	He attended 18 out of 18 meetings of the Board of Directors (excluding written resolutions) held during the fiscal year under review and made necessary statements on resolutions, deliberations, etc. based on extensive experience as an auditor. Similarly, he attended 12 out of 12 meetings of the Board of Corporate Auditors to exchange opinions on audit results and discuss important audit-related matters.
Outside Corporate Auditor	Hisako Matsuda	She attended 18 out of 18 meetings of the Board of Directors (excluding written resolutions) held during the fiscal year under review and made necessary statements on resolutions, deliberations, etc. based on professional insights as a Registered Foreign Lawyer. Similarly, she attended 12 out of 12 meetings of the Board of Corporate Auditors to exchange opinions on audit results and discuss important audit-related matters.

Outside Corporate Auditor	Haruka Ikeda	She attended 18 out of 18 meetings of the Board of Directors (excluding written resolutions) held during the fiscal year under review and made necessary statements on resolutions, deliberations, etc. Similarly, she attended 12 out of 12 meetings of the Board of Corporate Auditors to exchange opinions on audit results and discuss important audit-related matters.

(iv) Other important matters pertaining to Outside Directors and Outside Corporate Auditors

Not applicable.

5. Accounting Auditor

(1) Name of Accounting Auditor
Ernst & Young ShinNihon LLC

(2) Amount of remuneration of Accounting Auditor for the current fiscal year

Amount of remuneration of Accounting Auditor for the current fiscal year	62 million yen

(Note 1) The audit contract between the Company and the Accounting Auditor does not clearly distinguish between the amounts of remuneration for audits based on the Companies Act and those for audits based on the Financial Instruments and Exchange Act, and it is not practically possible to do so, so the above amounts are the sum of these amounts.

(Note 2) Based on the "Practical Guidelines for Cooperation with Accounting Auditors" published by the Japan Corporate Auditors Association, the Board of Corporate Auditors of the Company has reviewed the actual audit time by audit item and by audit tier and the amount of remuneration in the audit plan for the past fiscal years and the status of the execution of duties by the Accounting Auditors, and has examined the appropriateness of the audit plan and amount of remuneration for the current fiscal year, As a result, the Company consents to the remuneration of the Accounting Auditor in accordance with Article 399, Paragraph 1 of the Companies Act.

(3) Details of non-audit services
Not applicable.

(4) Policy on dismissal or non-reappointment of Accounting Auditor

The Board of Corporate Auditors decides on a proposal for dismissal or non-reappointment of the Accounting Auditor when it determines that there is a problem with the performance of duties by the Accounting Auditor or when it otherwise deems such action necessary, and the Board of Directors submits such proposal to the General Meeting of Shareholders based on such decision.

In addition, if the Board of Corporate Auditors determines that the Accounting Auditor falls under any of the items of Article 340, Paragraph 1 of the Companies Act, the Board of Corporate Auditors will dismiss the Accounting Auditor with the unanimous consent of the corporate auditors. In this case, the corporate auditor selected by the Board of Corporate Auditors will report the dismissal of the Accounting Auditor and the reasons for the dismissal at the first general meeting of shareholders convened after the dismissal.

6. Company System and Policies

(1) Structure to ensure the appropriateness of business operations

The Company has established the following basic policy for a system to ensure the appropriateness of business operations (internal control system). The Company is currently developing and operating an internal control system based on this basic policy. The outline of the system is as follows.

(i) System to ensure that the execution of duties by directors and employees complies with laws and regulations and the Articles of Incorporation

a. The Company shall ensure that all directors and employees comply with laws, regulations, the Articles of Incorporation, and social norms and act with high ethical standards by repeatedly communicating the Company's Code of Conduct to ensure that all employees are fully aware of it.

b. In addition to establishing "Risk Management Policy", the Company has established a Risk Management Committee chaired by the CEO to establish and maintain a compliance system.

c. The Company shall hold compliance-related education and training sessions as appropriate to maintain and raise awareness of compliance.

d. The Company shall establish an internal reporting system to ensure early detection and prevention of legal violations or potential violations and strive to take appropriate and prompt action.

e. For the sake of integrity in corporate management, the Group will never associate with antisocial forces and resolutely reject any unreasonable demands.

f. In order to ensure that the execution of duties complies with laws and regulations and the Articles of Incorporation, the CEO shall be responsible for conducting internal audit, management, and supervision.

(ii) System for storage and management of information related to the execution of duties by Directors

a. The Company shall strive to appropriately store and manage information related to the execution of duties by directors in accordance with laws, regulations, and document management rules, etc.

b. The Company shall maintain documents and other information available for inspection at all times in case a request is made by a director or auditor.

(iii) Regulations and other systems for managing risk of loss

a. The Company shall establish a system to manage business operations in accordance with the division of duties and authority as stipulated in internal regulations, etc., and each director and employee shall take responsibility for risk management in accordance with his or her own division of duties and authority.

b. Directors and employees shall share information on important management risks, as necessary, and take prompt and appropriate actions, and the Representative Director and President shall report such risks to the Board of Directors.

c. The Company shall establish regulations for risk management, designate organizations and responsible persons for various risks that may be assumed in the Company's business activities and strive to build an appropriate evaluation and management system.

d. The Risk Management Committee has been established to strengthen the system for preventing and mitigating various risks in business activities.

e. In the event of an emergency situation, we shall establish a countermeasures headquarters, etc., and strive to respond appropriately and promptly to the crisis, including appropriate communication of information internally and externally.

(iv) System to ensure the efficient execution of duties by Directors

a. In accordance with applicable laws and regulations, the principles of business judgment, and the duty of care of a good manager, decisions on important management matters shall be made promptly, and each Director shall report the status of the execution of his/her duties as appropriate.

b. The Company shall establish the Board (Association) of Directors Policy, the Allocation of Duties

Regulations, the Regulations for Official Authority, etc., to clarify the duties, authority, and responsibilities of the Directors and to ensure efficient execution of operations.

c. In principle, the Board of Directors shall hold a regular meeting once a month, and extraordinary Board of Directors meetings shall be held as necessary.

(v) System to ensure the appropriateness of the Company's business operations

a. The Board of Directors shall resolve the Company's medium-term business plan, annual budget, etc., report and verify the progress of the plan and budget at monthly meetings of the Board of Directors, and take measures to ensure appropriate and efficient execution of business operations.

b. The internal auditor shall conduct internal audits of the Company and report the results to the CEO.

(vi) System to ensure the appropriateness of business operations within the corporate group

a. The Company shall appropriately conduct transactions with the Company and its affiliated companies, etc., in accordance with laws and regulations, and shall establish a system for timely and appropriate reporting to the Company in accordance with the Affiliated Companies Management Policy stipulated by the Company and shall cooperate with the Company in this regard.

b. The Company shall establish internal regulations in accordance with the Company's internal policies and establish standards for the chain of command, authority, decision-making, and other organizational aspects of its affiliated companies, in accordance with the business content and scale of the affiliated companies and establish a management system.

c. In order to accurately monitor the management details of the affiliated companies, the Company shall request the affiliated companies to submit related materials, etc., as necessary.

d. The Company shall operate the Risk Management Committee, which is held by the Company, as one that also functions to appropriately recognize and evaluate group-wide business risks that may have a significant impact on management and to discuss responses to such risks.

e. The Company shall make appropriate and effective use of IT within the scope of effective communication of information and operations between the Company and its subsidiaries and affiliates.

f. In order to ensure early detection and correction of violations of laws and regulations and other compliance-related problems, the Company's corporate auditors and internal auditor shall conduct investigations of the appropriateness of the operations of affiliated companies.

(vii) Matters related to employees who are requested by corporate auditors to assist them in the performance of their duties and matters related to the independence of such employees from directors

a. In order to ensure the effectiveness of audits by Corporate Auditors, Corporate Auditors shall, as necessary, determine matters related to the establishment of a system to assist Corporate Auditors in the performance of their duties (assignment of assistant employees) and matters related to the independence of such assistant employees from Directors, and request Directors or the Board of Directors to establish such a system.

(viii) System for Directors and employees to report to Corporate Auditors and other systems for reporting to Corporate Auditors

a. Directors and employees shall promptly report to auditors when they find any fact that violates laws and regulations or that may cause significant damage to the Company.

b. The Company's Full-time Corporate Auditor shall attend meetings of the Board of Directors and other important meetings such as the Global Group Management Meeting.

c. Directors and employees shall promptly report to the corporate auditors when requested by them to report on matters related to business execution and other matters.

(ix) System to ensure that a person who makes a report to a corporate auditor is not treated disadvantageously by reason of such report

a. The Company shall prohibit any disadvantageous treatment of directors and employees of the

Company and its affiliates who report to the corporate auditors by reason of such reporting and shall inform the directors and employees of the Company to this effect to ensure that they are fully aware of such prohibition.

(x) Matters concerning procedures for advance payment or reimbursement of expenses incurred in connection with the execution of duties by corporate auditors and other policies concerning the treatment of expenses or liabilities incurred in connection with the execution of such duties

a. When Corporate Auditors request the Company for advance payment of expenses in connection with the execution of their duties, the Company shall promptly comply with such request after deliberation by the department in charge, unless it is proven that the requested expenses or liabilities are not necessary for the execution of the Corporate Auditors' duties.

(xi) Other system to ensure that the audits of corporate auditors are conducted effectively

a. The Board of Corporate Auditors shall include outside corporate auditors in accordance with laws and regulations to ensure fairness and transparency.

b. Corporate Auditors shall exchange opinions with the Representative Director and President on a regular basis to ensure mutual communication.

c. Corporate Auditors shall regularly exchange information with the Accounting Auditor and the internal auditor to ensure mutual collaboration.

(2) Status of operations of the system to ensure the appropriateness of business operations

A summary of the status of operation of the system to ensure that the execution of duties by Directors complies with laws and regulations and the Articles of Incorporation and other systems to ensure the appropriateness of the Company's business operations is as follows.

(i) Overall internal control system

The Company's internal auditor is monitoring the status of the overall internal control system of the Company and its group companies and is promoting improvements.

(ii) Compliance

The Company is continuously making efforts to ensure that employees of the Company and its group companies comply with laws, regulations, and the Articles of Incorporation by educating them in in-house training programs and providing explanations at meetings regarding compliance required for each level of employees. In addition, the Company has established a consultation and reporting system in accordance with the Whistle-blowing policy, which is open to all group companies to improve the effectiveness of compliance.

(iii) Risk management system

The Risk Management Committee reviewed risks reported by each department and group company to share information throughout the company and reported on the status of management of such risks.

(iv) Internal audit

The internal auditor conducted internal audits of the Company and its group companies in accordance with the internal audit plan.

(3) Basic Policies regarding the control of Kabushiki Kaisha

Not applicable.

(4) Matters pertaining to transactions with parent company, etc.

Not applicable.

(5) Matters pertaining to Specified Wholly Owned Subsidiaries

Not applicable.

(6) Policy on determination of dividends from surplus, etc.

Although the Company regards returning profits to shareholders as one of its most important management issues, research and development of space technology requires a large initial investment, and the recovery of that investment tends to be a long-term process. Since its establishment, the Group has also continuously recorded operating losses and net losses.

Under these circumstances, the Company believes that the maximization of shareholder returns will be achieved by accelerating the formation of a market through aggressive development, promoting the growth of the Group, and thereby increasing its corporate value.

It is the Company's policy to effectively use retained earnings to strengthen the Company's financial position to ensure the long-term stability of its management base and to make investments to realize continuous business development in the future.

Based on the above policy, the Company has prioritized internal reserves without paying dividends since its establishment, and the timing of future dividend payments has not yet been determined.

The Company stipulates that matters stipulated in each item under Article 459, Paragraph 1 of the Companies Act may be determined by a resolution of the Board of Directors, not by a resolution of the General Meeting of Shareholders, unless otherwise provided for by law. The Articles of Incorporation stipulate that the Board of Directors shall be the decision-making body for dividends and that the Company may pay year-end dividends with a record date of April 30 of each year and interim dividends with a record date of October 31 of each year, as well as dividends from surplus with a record date.

Note: Amounts in this Business Report are rounded down to the indicated unit, and percentages are rounded up to the indicated unit.

Non-consolidated Balance Sheet

(As of April 30, 2024)

(Thousands of yen)

Description	Amount	Description	Amount
(Assets)		(Liabilities)	
Current assets	10,200,772	Current liabilities	2,949,584
Cash and deposits	9,969,593	Accounts payable	436,396
Prepaid expenses	108,946	Accrued expenses	48,339
Other	122,232	Short-term borrowings	2,388,000
Non-current assets	9,538,836	Income taxes payable	1,210
Property, plant and equipment	514	Deposits received	75,639
Tools, furniture and fixtures	514	Non-current liabilities	9,953,260
Investments and other assets	9,538,322	Long-term borrowings	7,000,000
Investment securities	0	Long-term borrowings from subsidiaries	2,953,260
Shares of subsidiaries	5,905,693	Total liabilities	12,902,844
Long-term loans receivable from subsidiaries	27,158,977	(Net assets)	
Other	940,292	Shareholders' equity	6,635,076
Allowance for doubtful accounts	(24,466,642)	Share capital	100,000
		Capital surplus	14,539,162
		Legal capital surplus	14,539,162
		Retained earnings	(8,004,085)
		Other retained earnings	(8,004,085)
		Retained earnings brought forward	(8,004,085)
		Share acquisition rights	201,687
		Total net assets	6,836,764
Total assets	19,739,608	Total liabilities and net assets	19,739,608

Non-consolidated Statement of Income

(From May 1, 2023 to April 30, 2024)

(Thousands of yen)

Description	Amount	
Net sales		987
Cost of sales		–
Gross profit		987
Selling, general and administrative expenses		1,480,978
Operating loss		(1,479,990)
Non-operating income		
Interest income	693,705	
Foreign exchange gains	2,798,024	
Reversal of provision for loss on guarantees	1,463,760	
Other	29	4,955,520
Non-operating expenses		
Interest expenses	313,331	
Share issuance costs	3,500	
Provision of allowance for doubtful accounts	9,515,456	9,832,287
Ordinary loss		(6,356,757)
Extraordinary income		
Gain on reversal of share acquisition rights	5,496	5,496
Extraordinary losses		
Bad debt expenses	1,565,488	
Impairment losses	86,126	1,651,614
Loss before income taxes		(8,002,875)
Income taxes	1,210	1,210
Net loss		(8,004,085)

Non-consolidated Statement of Changes in Equity

(From May 1, 2023 to April 30, 2024)

(Thousands of yen)

	Shareholders' equity							Share acquisition rights	Total net assets
	Share capital	Capital surplus			Retained earnings		Total shareholders' equity		
		Legal capital surplus	Other capital surplus	Total capital surplus	Other retained earnings	Total retained earnings			
					Retained earnings brought forward				
Balance at beginning of period	100,000	26,319,886	—	26,319,886	(12,784,164)	(12,784,164)	13,635,722	108,385	13,744,108
Changes during the fiscal year									
Issuance of new shares	501,719	501,719		501,719			1,003,439		1,003,439
Capital reduction	(501,719)	501,719		501,719			—		—
Transfer from legal capital surplus to other capital surplus		(12,784,164)	12,784,164	—			—		—
Deficit disposition			(12,784,164)	(12,784,164)	12,784,164	12,784,164	—		—
Net loss					(8,004,085)	(8,004,085)	(8,004,085)		(8,004,085)
Net changes in items other than shareholders' equity								93,302	93,302
Total changes during the fiscal year	—	(11,780,724)	—	(11,780,724)	4,780,078	4,780,078	(7,000,646)	93,302	(6,907,344)
Balance at end of period	100,000	14,539,162	—	14,539,162	(8,004,085)	(8,004,085)	6,635,076	201,687	6,836,764

Notes to Non-consolidated Financial Statements

1. Notes Regarding Significant Accounting Policies

(1) Basis and method for valuation of assets

Basis and method for valuation of securities

Subsidiaries…Moving average cost method

Available-for-sale securities

Shares that do not have a market value…Moving average cost method

(2) Depreciation method for non-current assets

Property, plant and equipment

The straight-line method is applied.

The useful lives of major assets are as follows:

Tools, furniture and fixtures 4 years

(3) Recognition criteria for provisions

(i) Allowance for doubtful accounts

To make allowances for the non-payment of trade receivables, loans receivable, and other receivables, receivables designated as potentially irrecoverable is determined using actual default rates on an individual claim basis, and an allowance is made for the amount deemed irrecoverable.

(ii) Provision for loss on guarantees

To make allowances for the losses related to guarantees, the estimated amount of losses is recorded in consideration of the financial condition of the guaranteed parties.

(4) Recognition criteria for revenue and expenses

The Company mainly earns revenues from research and development projects related to on-orbit servicing and public relations activities. The obligation of these activities is deemed to have been fulfilled at the time services are provided to the customers and revenue is recognized at that time of provision.

(5) Other basic policies and important items for the preparation of non-consolidated financial statements

(i) Treatment of deferred assets

Share issuance costs…The full amount is treated as an expense at the time the disbursement is made.

(ii) Basis for conversion of monetary assets and liabilities denominated in foreign currencies into Japanese Yen

Monetary assets and liabilities denominated in foreign currencies are translated into Japanese Yen at the spot exchange rate prevailing at the balance sheet date, and resulting gains or losses are credited or charged to income.

2. Notes Regarding Revenue Recognition

(1) Revenue breakdown

The Company mainly earns revenues from research and development projects related to on-orbit servicing and public relations activities. Net sales of the activities was 987 thousand yen.

(2) Basic information for understanding revenue

Basic information for understanding revenue is included in “Notes Regarding Significant Accounting Policies, Recognition criteria for revenue and expenses.”

3. Notes Regarding Accounting Estimates

Evaluation of investments and loans to subsidiaries

(i) Amount recorded in non-consolidated financial statements

(Assets)

Shares of subsidiaries	5,905,693 thousand yen
Long-term loans receivables from subsidiaries	27,158,977 thousand yen
Allowance for doubtful accounts	(24,466,642) thousand yen

(Non-operating income)

Reversal of provision for loss on guarantees	1,463,760 thousand yen

(Non-operating expenses)

Provision of allowance for doubtful accounts	9,515,456 thousand yen

(Extraordinary losses)

Bad debt expenses	1,565,488 thousand yen

(ii) Information on the nature of significant accounting estimates related to the identified items

For shares of subsidiaries, an impairment loss is recorded when there is a significant decline in the fair value of the shares below its carrying amount, unless there is sufficient evidence of an increase in the fair value based on future plans. For loans receivable from subsidiaries, an allowance for doubtful accounts is recorded for the estimated uncollectible amount based on an individual assessment of the collectability of each loan. In addition, a provision for loss on guarantees is recorded for the estimated future losses on guarantees.

Significant decreases in the actual value, recoverability and collectability depend on estimates of future cash flows based on the financial condition and business plans of each subsidiary. These assumptions are subject to change due to changes in the financial condition of the subsidiaries and revisions to their future business plans and, if a revision becomes necessary, may have a material impact on the financial statements for the following and subsequent fiscal years.

4. Notes Regarding Non-consolidated Balance Sheet

(1) Monetary claims and obligations to subsidiaries and associates (excluding items presented separately)

Short-term monetary claims	77,696 thousand yen
Long-term monetary claims	922,459 thousand yen
Short-term monetary obligations	11,640 thousand yen

(2) Accumulated depreciation of property, plant and equipment

Tools, furniture and fixtures	253 thousand yen
Construction in progress	27,680 thousand yen

(3) Accumulated depreciation includes accumulated impairment losses.

(4) Guarantee obligations

The Company guarantees the obligations for loans extended by financial institutions to subsidiaries.

Astroscale Japan Inc.	1,078,610 thousand yen

5. Notes to Non-consolidated Statement of Income

(1) Amount of transactions with subsidiaries and associates

Amount of operating transactions	
Selling, general and administrative expenses	3,137 thousand yen
Amount of transactions from transactions other than operating transactions	
Interest income	693,050 thousand yen
Interest expense	1,251 thousand yen
Provision of allowance for doubtful accounts	9,515,456 thousand yen
Bad debt expenses	1,565,488 thousand yen

(2) Impairment losses

The Company recorded an impairment loss on the following asset groups.

(i) Outline of assets for which impairment losses were recognized

Location	Use	Type	Amount (Thousands of yen)
Sumida Ward, Tokyo	Business assets	Construction in progress	27,680
		Software in progress	58,445
Total			86,126

(ii) Background leading to recognition of impairment losses

The Company's business assets were evaluated as zero and an impairment loss was recognized because the Company's business assets have continuously negative earnings from operating activities and there is a high degree of uncertainty about future cash flows at this point in time.

(3) Bad debt expenses

This item relates to receivables from Astroscale Ltd, a subsidiary of the Company.

(4) Reversal of provision for loss on guarantees

The Company reversed the provision for loss on guarantees of bank loans of Astroscale Japan Inc., a subsidiary of the Company, because the Company no longer expects to incur losses on the guarantees.

6. Notes Regarding Non-consolidated Statement of Changes in Equity

(1) Class and number of outstanding shares as of end of fiscal year under review

Common shares 90,859,200 shares

(2) Class and number of shares for the purpose of share acquisition rights at the end of the consolidated fiscal year (excluding those for which the first day of the rights exercise period has not yet arrived).

	Type of shares	Number of shares	Ending balance of share acquisition rights (Thousands of yen)
1st Series Share Acquisition Rights	Common shares	928,200	9,439
2nd Series Share Acquisition Rights	Common shares	429,000	16,018
3rd Series Share Acquisition Rights	Common shares	3,239,700	70,540
4th Series Share Acquisition Rights	Common shares	489,900	1,268
4th Series (2nd) Share Acquisition Rights	Common shares	546,000	1,414
5th Series Share Acquisition Rights	Common shares	450,000	252
5th Series-2 Share Acquisition Rights	Common shares	270,000	151
5th Series-2 (2nd) Share Acquisition Rights	Common shares	72,000	40
5th Series-2 (3rd) Share Acquisition Rights	Common shares	22,000	39
5th Series-2 (4th) Share Acquisition Rights	Common shares	267,000	50
6th Series Share Acquisition Rights	Common shares	337,000	3,872
7th Series Share Acquisition Rights	Common shares	328,000	4,221
7th Series (2nd) Share Acquisition Rights	Common shares	442,000	7,036
7th Series (3rd) Share Acquisition Rights	Common shares	260,000	3,736
7th Series (4th) Share Acquisition Rights	Common shares	36,000	553

7. Notes Regarding Tax Effect Accounting

Deferred tax assets arise mainly from provision of allowance for doubtful accounts and bad debt expenses, but the entire amount is a valuation allowance and is not recorded as deferred tax assets.

8. Notes Regarding Financial Instruments

(1) Matters regarding the status of financial instruments

(i) Policy on financial instruments

The Company invests its funds in highly secure financial assets. For fund raise, the Company utilizes borrowings from banks and other financial institutions in addition to direct financing such as equity financing.

(ii) Description of financial instruments, risks and risk management system

Long-term loans receivable from subsidiaries are exposed to credit risk, but the Company manages this risk by regularly monitoring the financial position and operating results of each subsidiary.

Long-term borrowings and long-term borrowings from subsidiaries are exposed to liquidity risk, which is managed by the Company by analyzing cash flow budgets and actual results to determine funding requirements, including those of each company of the Group. Certain floating rate borrowings are exposed to interest rate risk, but the Group seeks to mitigate this risk through an appropriate mix of fixed and floating rate borrowings and an appropriate mix of equity and debt financing.

Accounts payable, accrued expenses, short-term borrowings, income taxes payable and deposits received are all due within one year.

(2) Matters regarding the fair values of financial instruments

The carrying amounts, the fair values, and the differences between them as of April 30, 2024 are as follows.

(Thousands of yen)

	Carrying amount	Fair value	Difference
(i) Long-term loans receivable from subsidiaries	27,158,977		―
Allowance for doubtful accounts(*1)	(24,466,642)		
	2,692,335	2,692,335	―
Total financial instruments recorded in assets	2,692,335	2,692,335	―
(i) Long-term borrowings	7,000,000	7,039,584	39,584
(ii) Long-term borrowings from subsidiaries	2,953,260	2,958,929	5,669
Total financial instruments recorded in liabilities	9,953,260	9,998,513	45,253

(*1) For cash and deposits, accounts payables, accrued expenses, income tax payable and deposits received, the notes are omitted because the fair values approach the book values since they are settled in the short term.

(*2) Allowance recorded for doubtful accounts is deducted from long-term loans receivable from subsidiaries.

(*3) Shares that do not have market prices are not included in the table above. The carrying amount of Shares that do not have market prices are as follows.

Investment securities	0 thousand yen
Shares of subsidiaries	5,905,693 thousand yen

Note: Explanation of the valuation methods and inputs used in calculating fair values

The fair values of financial instruments are categorized into the following three levels, in accordance with the observability and importance of the inputs used in the fair value calculation.

Level 1 fair value: Fair value calculated using the (unadjusted) market price in an active market for an identical asset or liability.
Level 2 fair value: Fair value calculated using inputs that are directly or indirectly observable, other than the Level 1 inputs.
Level 3 fair value: Fair value calculated using important inputs that cannot be observed.

In cases where multiple inputs which have a material effect on the calculation of the fair value are used, among the levels to which the respective inputs belong, the fair value is categorized at the level with the lowest priority in the fair value calculation.

Long-term loans receivable from subsidiaries

The fair value of long-term loans receivable is calculated based on the present value of the total amount of principal and interest discounted at the interest rate that takes into account the remaining period of the loan and credit risk, and is categorized as Level 2 fair value.
For receivables designated as potentially irrecoverable, the estimated doubtful accounts are calculated based on the present value of estimated future cash flows or the amount expected to be collected through collateral and guarantees. The fair value approximates the balance sheet amount on the closing date less the current estimated doubtful accounts, and this amount is used as fair value and categorized as a level 3 fair value.

Long-term borrowings and long-term borrowings from subsidiaries

The fair value of long-term borrowings and long-term borrowings from subsidiaries is calculated based on the present value of the total amount of principal and interest discounted at the interest rate assumed for similar new borrowings, and is categorized as Level 2 fair value.

9. Notes Regarding Transactions with Related Parties

Subsidiaries and associates

(Thousands of yen)

Category	Name of company	Voting rights ownership (owned) ratio	Relationship with related party	Transaction contents	Transaction amount	Description	Ending balance
Subsidiary	Astroscale Japan Inc.	Ownership Direct 100%	Loan of funds Loan guarantee	Loan of funds (Note 1)	5,290,000	Long-term loans receivable from subsidiaries (Note 2)	11,250,000
				Interest income (Note 1)	250,647	Interest receivable from subsidiaries (Note 2)	355,559
				Guarantee obligations (Note 5)	1,078,610	—	—
				Guarantee of debt (Note 6)	12,000,000	—	—
	Astroscale U.S. Inc.	Ownership Direct 100%	Loan of funds	Loan of funds (Note 1)	4,672,610	Long-term loans receivable from subsidiaries (Note 2)	14,989,447
				Interest income (Note 1)	260,025	Interest receivable from subsidiaries (Note 2)	565,486
				Guarantee of debt (Note 6)	7,000,000	—	—
	Astroscale Ltd	Ownership Direct 100%	Loan of funds Acquisition of shares Borrowing of funds Loan guarantee	Loan of funds (Note 1)	2,179,714	Long-term loans receivable from subsidiaries (Note 2,3)	667,436
				Interest income (Note 1)	181,724	Interest receivable from subsidiaries (Note 2,3)	731
				Underwriting of capital increase (Note 3)	5,285,023	—	—
				Borrowing of funds (Note 4)	2,854,380	Long-term borrowings from subsidiaries	2,953,260
				Interest expense (Note 4)	1,251	Accrued interest to subsidiaries	1,294
				Guarantee of debt (Note 6)	7,000,000	—	—
	Astroscale France SAS	Ownership Direct 100%	Loan of funds	Loan of funds (Note 1)	244,067	Long-term loans receivable from subsidiaries	252,093
				Interest income (Note 1)	652	Interest receivable from subsidiaries	681

Transaction terms and policy on determination of transaction terms

(Note 1) The loans of funds to Astroscale Japan Inc., Astroscale U.S. Inc., Astroscale Ltd and Astroscale France SAS are determined considering market interest rates and financial condition of the lender.

(Note 2) For long-term loans receivable from subsidiaries, an allowance for doubtful accounts of 24,466,642 thousand yen is recorded. Also, a provision of allowance for doubtful accounts of 9,515,456 thousand yen is recorded in the current fiscal year.

(Note 3) The Company underwrites capital increases by means of in-kind contributions of long-term loans receivable from subsidiaries and interest receivable from subsidiaries (debt-equity swaps), as well as cash contributions.

(Note 4) Interest rates on borrowings from Astroscale Ltd are determined rationally, considering market interest rate trends and other related factors.

(Note 5) The Company guarantees the borrowings of Astroscale Japan Inc. from financial institutions. The transaction amount shows the balance at the end of the current fiscal year of the maximum amount of guaranteed obligations.

(Note 6) Loans from financial institutions are guaranteed and the transaction amount shows the balance at the end of the current fiscal year of the maximum amount of guaranteed debt.

10. Notes Regarding Per Share Information

Net assets per share	73.03 yen
Earnings per share	(88.44) yen

11. Notes Regarding Significant Subsequent Events

(1) Issuance of new shares by public offering

The Company was listed on the Growth Market of the Tokyo Stock Exchange on June 5, 2024. At the Board of Directors meetings held on May 1, 2024 and May 20, 2024, the Company resolved to issue new shares through public offering as follows, and the payment was completed on June 4, 2024. As a result, share capital amounted to 8,895,297 thousand yen and the total number of outstanding shares was 113,028,400.

Method of Offering	Public offering by way of the book building method to investors in Japan and overseas (however, in the U.S., only sales to qualified institutional investors in accordance with Rule 144A under the U.S. Securities Act of 1933)
Type and numbers of share issued	Common shares 22,169,200 shares In which allocated to domestic: 12,486,200 shares In which allocated to overseas: 9,683,000 shares
Issue price	850 yen per share
Subscription price	Domestic: 793.47 yen per share Overseas: 793.47 yen per share This price represents the amount received by the Company from the underwriters as payment for each new share. The aggregate amount of the difference between the issue price and the subscription price will be the proceeds of the underwriters.
Amount paid	Domestic: 637.5 yen per share Overseas: 637.5 yen per share This amount is the amount to be paid under the Companies Act and was determined at the Board of Directors meeting held on May 1, 2024.
Amount incorporated in share capital	Domestic: 396.735 yen per share Overseas: 396.735 yen per share
Total amount paid	14,132,865 thousand yen This amount is the amount to be paid under the Companies Act.
Total amount incorporated in share capital	8,795,297 thousand yen
Total amount incorporated in capital surplus	8,795,297 thousand yen
Total amount paid in	17,590,595 thousand yen
Due date of payment	June 4, 2024
Use of proceeds	The proceeds will be allocated to project development expenses, research and development expenses, and working capital for further growth of the Group's on-orbit services. Since the Group's main business operations are conducted by the Company's consolidated subsidiaries, the funds will be used through investments in and loans to the consolidated subsidiaries.

(2) Allotment of new shares to the third party

The board of directors of the Company resolved the allotment of new shares to Mitsubishi UFJ Morgan Stanley Securities Co., Ltd by way of a third-party allocation of shares on May 1 and May 20, 2024 for the purpose that Mitsubishi UFJ Morgan Stanley Securities Co., Ltd returns the Common shares borrowed from Mitsunobu Okada of a shareholder of the Company in the course of the over-allotment in the initial public offering.

Type and numbers of share issued	Common shares 3,124,900 shares
Subscription price	793.47 yen per share
Amount paid	637.5 yen per share
Amount incorporated in share capital	396.735 yen per share
Total amount paid	2,479,514 thousand yen
Total amount incorporated in share capital	1,239,757 thousand yen
Total amount incorporated in capital surplus	1,239,757 thousand yen
Due date of payment	July 2, 2024
Use of proceeds	The proceeds will be allocated to project development expenses, research and development expenses, and working capital for further growth of the Group's on-orbit services. Since the Group's main business operations are conducted by the Company's consolidated subsidiaries, the funds will be used through investments in and loans to the consolidated subsidiaries.

Note: Amounts shown in these financial statements are rounded down to the nearest thousand yen.

Supplementary Schedules

(Non-consolidated Financial Statements)

6th period

From May 1, 2023 to April 30, 2024

Astroscale Holdings Inc.

1. Details of Property, Plant and Equipment and Intangible Assets

(Thousands of yen)

Item	Type of assets	Book value at the beginning of the period	Increase during the period	Decrease during the period	Depreciation during the period	Book value at the end of period	Accumulated depreciation
Property, plant and equipment	Tools, furniture and fixtures	338	295	—	118	514	253
	Construction in progress	—	27,680	27,680 (27,680)	—	—	—
	Total	338	27,975	27,680	118	514	253
Intangible assets	Software in progress	—	58,445	58,445 (58,445)	—	—	—
	Total	—	58,445	58,445	—	—	—

Note: Figures in parentheses under "Decrease during the period" represent the amount of impairment loss recorded for the period.

2. Details of Provisions

(Thousands of yen)

Description	Beginning balance	Increase during the period	Decrease during the period	Ending balance
Allowance for doubtful accounts	14,951,185	9,515,456	—	24,466,642
Provision for loss on guarantees	1,463,760	—	1,463,760	—

3. Details of Selling, General and Administrative Expenses

(Thousands of yen)

Description	Amount
Remuneration for directors	114,510
Salaries and wages	315,686
Legal welfare expenses	39,755
Welfare expenses	733
Recruitment and training expenses	24,865
Advertising expenses	21,388
Entertainment expenses	2,907
Travel and transportation expenses	57,858
Communication expenses	3,093
Supplies expenses	8,842
Insurance expenses	416
Taxes and dues	22,608
Commission expenses	220,315
Professional fee expenses	465,917
Meeting expenses	1,037
Freight and packing costs	710
Newspaper and book expenses	134
Depreciation	118
Membership fees	9,634
Share-based payment expenses	99,037
Outsourcing expenses	42,532
Office rental expenses	26,689
Utilities expenses	2,171
Miscellaneous expenses	11
Total	1,480,978

Supplementary Schedules

(Business Report)

6th period

From May 1, 2023 to April 30, 2024

Astroscale Holdings Inc.

1. Important matters supplementing the contents of the business report

Not applicable.

(Translation for Convenience)

Audit Report

In regard to the directors 'performance of their duties for the 2024 business year from 1/5/2023 to 30/4/2024 the audit and supervisory board has prepared this Audit Report after deliberations based on the audit reports prepared by each audit and supervisory board member and reports as follows.

1. Method and Contents of Audits by the Audit and Supervisory Board Members and the Audit and Supervisory Board.

(1) The audit and supervisory board determined the audit policies and division of duties, etc. and received reports from each audit and supervisory board member regarding the implementation status and results of their audits, in addition to which it received reports of the directors, etc. and the accounting auditor regarding the status of the performance of their duties and requested explanations as necessary.

(2) In compliance with the audit and supervisory board member audit standards established by the audit and supervisory board and in accordance with the audit policies and division of duties, etc., each audit and supervisory board member communicated with the directors, the internal audit department, and other employees, etc., endeavored to gather information and develop the audit environment, and conducted audits using the following methods.

(i) The audit and supervisory board members attend meetings of the board of directors and other important meetings, received reports from directors and employees, etc. regarding the status of the performance of their duties, requested explanations as necessary, viewed important decision-making documents, etc., and inspected the status of operations and assets at the head office and main business locations. Additionally, in regard to subsidiaries, the audit and supervisory board members communicated and exchanged information with the directors and audit and supervisory board members, etc. of subsidiaries and received reports on business from subsidiaries as necessary.

(ii) In regard to the content of resolutions of the board of directors regarding the development of systems to ensure that the directors 'performance of their duties complies with laws, regulations, and the articles of incorporation and other systems provided for in Article 100, paragraph (1) and paragraph (3) of the Ordinance for Enforcement of the Companies Act as systems necessary to ensure the appropriateness of operations of the corporate group composed of a stock company and its subsidiaries, as well as the systems developed pursuant to those resolutions (i.e., internal control systems stated in the business report, the audit and supervisory board members periodically received reports from directors and employees, etc. regarding the status of the establishment and operation of those systems and as necessary requested explanations and expressed opinions in regard thereto.

(iii) The audit and supervisory board members oversaw and verified whether the accounting auditor maintained an independent position and conducted an appropriate audit, received reports from the accounting auditor on the status of the performance of its duties, and requested explanations as necessary. Additionally, the audit and supervisory board members received notification from the accounting auditor that, in accordance with the "Quality Control Standards for Audits" (Business Accounting Council), etc., it had developed systems in order to ensure that it's duties are appropriately performed (i.e., notification of the matters stated in the items of Article 131 of the Ordinance on Accounting of Companies) and requested explanations as necessary.

Using the methods above, the audit and supervisory board examined the business report, the supplementary schedules thereto, the accounting documents (i.e., the balance sheet, statement of income, statement of changes in net assets, explanatory notes to accounting documents, and the supplementary schedules to the accounting documents, for the business year.

2. Audit Results
   (1) Results of audit of business report, etc.
      (i) We find that the business report and the supplementary schedules thereto accurately present the status of the company in accordance with laws, regulations, and the articles of incorporation.
      (ii) We do not find any misconduct or any material fact constituting a violation of any law, regulation, or the articles of incorporation in relation to the directors' performance of their duties.
      (iii) We find the content of the resolutions of the board of directors regarding internal control systems to be reasonable. Additionally, we do not find any matters that should be commented upon in regard to the statements in the business report or the director's performance of their duties relating to the internal control systems.
   (2) Results of audit of accounting documents and supplementary schedules thereto.
      We find the methods and results of the audit the accounting auditor, EY Shin-Nihon LLC to be reasonable.

July 1, 2024

Astroscale Holdings Inc.: Audit and Supervisory Board

Full-time Audit and Supervisory Member	Takayuki Suzuki
Part-time Audit and Supervisory Member (Outside Audit and Supervisory Board Member)	Hisako Matsuda
Part-time Audit and Supervisory Member (Outside Audit and Supervisory Board Member)	Haruka Ikeda

【The 6th Annual General Meeting of Shareholders】
The Agenda for the General Meeting of Shareholders

Resolution 1: Appointment of six (6) Directors

With the expiration of the term of office of six (6) Directors upon adjournment of the 6th Annual General Meeting of Shareholders (AGM), we hereby propose six (6) candidates to be elected as new members of the Board.

Name	Birth	Career		Shares owned
Mitsunobu Okada	March 27, 1973	Apr 1997	Joined the Ministry of Finance	24,840,300
		Jul 2001	Joined McKinsey & Company	
		Aug 2004	Appointed as Director and CFO of TurboLinux Corporation	
		Apr 2006	Appointed as Director of KAZAKA Financial Group, Inc.	
		Feb 2007	Appointed as Representative Director of KAZAKA Commodity Co., Ltd.	
		Mar 2007	Appointed as Corporate Auditor of TurboLinux Co., Ltd.	
		Aug 2008	Joined Bain Capital LLC	
		Aug 2009	Established SUGAO PTE. LTD. and appointed as CEO	
		Aug 2012	Established MIKAWAYA21 Co., Ltd. and appointed as Director	
		May 2013	Established ASTROSCALE PTE. LTD. and appointed as CEO	
		Feb 2015	Appointed as Representative Director of ASTROSCALE JAPAN Inc.	
		Mar 2017	Appointed as Director of Astroscale Ltd (present)	
		Aug 2017	Appointed as Director of Astroscale Japan Inc. (present)	
		Nov 2018	Appointed as Director of Astroscale Singapore Pte. Ltd. (present)	
		Dec 2018	Appointed as President and CEO of the Company (present)	
		Mar 2019	Appointed as Director of Astroscale U.S. Inc.	
		May 2019	Appointed as Advisory Board of The Space Generation Advisory Council (SGAC) (present)	
		Oct 2019	Appointed as co-chair of the World Economic Forum (Davos Conference) Space Council	
		Oct 2020	Appointed as Vice President of International Astronautical Federation (IAF)	
		Apr 2021	Appointed as Director of the Satellite Systems Technology Promotion Organization (present)	
		Jan 2023	Appointed as Director of the Impact Start-up Association (present)	
		Sep 2023	Appointed as Director of Astroscale France SAS (present)	
		Oct 2023	Appointed as Honorary Ambassador of International Astronautical Federation (IAF) (present)	
Christopher Blackerby	September 3, 1973	Oct 2002	Joined National Aeronautics and Space Administration (NASA) Head Office	2,000
		Aug 2012	Appointed as Head of Asia Representative Office of National Aeronautics and Space Administration (NASA) at the U.S. Embassy in Tokyo	
		Aug 2017	Appointed as COO of ASTROSCALE PTE. LTD.	
		Aug 2017	Appointed as Representative Director of Astroscale Japan Inc.	
		Aug 2017	Appointed as Director of Astroscale Ltd (present)	
		Nov 2018	Appointed as Director of Astroscale Singapore Pte. Ltd. (present)	
		Dec 2018	Appointed as Director and COO of the Company (present)	
		Mar 2019	Appointed as Director of Astroscale U.S. Inc.	
		Feb 2021	Appointed as Director of Astroscale. Japan Inc.	
		May 2022	Appointed as Representative Director of Astroscale Japan Inc.	
		Jan 2023	Appointed as Director of Astroscale Japan Inc.	

		Sep 2023	(present) Appointed as Director of Astroscale France SAS (present)	
Nobuhiro Matsuyama	July 22, 1986	Apr 2009 Jun 2012 Apr 2014 Sep 2016 Sep 2017 Dec 2021 May 2022 Jul 2023 Sep 2023	Joined Merrill Lynch Japan Securities Co. Ltd. (currently BofA Securities Japan Co Ltd) Joined Barclays Securities Japan Limited Joined Goldman Sachs Japan Co. Ltd. Joined Goldman, Sachs & Co. Joined Goldman Sachs Japan Co. Ltd. Appointed as Executive Officer, Chief Financial Officer of Astroscale Holdings Inc. Appointed as Director of Astroscale Japan Inc. (present) Appointed as Director and CFO of the Company (present) Appointed as Director of Astroscale France SAS (present)	13,300
Yuko Noguchi (Family Register Name: Yuko Suzuki)	October 15, 1972	Apr 1998 Jan 2008 Dec 2013 Feb 2022	Joined Mori Sogo (currently Mori Hamada & Matsumoto) Appointed as Partner of Intellectual Property Group of Mori Hamada & Matsumoto Appointed as Head of Legal, Google Japan Inc. (present) Appointed as Director of the Company (present)	—
Jan Wörner	July 18, 1954	Jul 1979 Oct 1990 Jul 1995 Mar 2007 Jul 2015 Apr 2021 Feb 2022	Joined Köing und Heunisch Appointed as Professor, Technical University Darmstadt Appointed as President of the above University Appointed as Chair of Executive Board of German Aerospace Center Appointed as Director General of the European Space Agency (ESA) Appointed as President of German Academy of Science and Engineering (present) Appointed as Director of the Company (present)	—
Gayle Sheppard	December 8, 1953	Mar 1991 Jan 1996 Sep 2000 Jul 2002 Feb 2006 Jan 2013 Oct 2015 Apr 2019 Sep 2019 Jan 2022 Dec 2022 Jul 2023	Joined J.D. Edwards Company, Inc. Appointed as President of J.D. Edwards Japan K.K. Appointed as CEO and President of MarketMile LLC. Appointed as Vice President and Managing Director of PeopleSoft, Inc. Appointed as Director of Saffron Technology Appointed as CEO & Chair of Saffron Technology Appointed as Vice President and General Manager, Saffron AI Group of Intel Corporation Appointed as Corporate Vice President of Microsoft Corporation Appointed as Corporate Vice President and CTO for Microsoft Asia of Microsoft Corporation Appointed as Director of Nutanix, Inc. (present) Appointed as Chief Executive Officer of Bright Machines (present) Appointed as Director of the Company (present)	—

Notes:

1. No conflict of interest exists between Board candidates and the Company.
2. Jan Wörner, Yuko Noguchi (Yuko Suzuki) and Gayle Sheppard are the candidates for External Director of the Company.
3. The reason for the selection of External Director.

   We have selected Mr. Jan Wörner, former Director General of the European Space Agency, as a candidate for our External Director as we highly regard his long and extensive experience in space industry and his active involvement in network of professionals in the sector. We are convinced that he is the ideal candidate to assume the role of External Director of the Company given his experience in business management as well as his insights on regulatory systems as well as his credentials and background in the European space industry.

   We have selected Ms. Yuko Noguchi (Yuko Suzuki) as a candidate for our External Director as she is a renowned lawyer with extensive knowledge in intellectual property law, international conflict and global business transactions. We believe she is a highly desirable candidate for External Director based on her

professional knowledge and experience as well as the role she played as a pioneer in the field of intellectual property rights for global IT companies.
We have selected Ms. Gayle Sheppard as a candidate for our External Director based on her robust experience of company management and experience in working at global companies such as Intel and Microsoft. We expect to gain advice on the overall management of the Company to mature our business which qualifies her as the ideal candidate to assume the role of External Director of the Company.

4. The Company is, pursuant to the provisions of Article 427-1 of the Companies Act, entered into the Limitation of Liability Agreement (the "Agreement") with Mr. Jan Wörner, Ms. Yuko Noguchi and Ms. Gayle Sheppard for the purpose of setting a limit on the scope of Liability for Damages stipulated in Article 423-1 of the Companies Act, and the term of the Agreement shall be extended if those candidates are reappointed as our External Directors.
5. The Company is enrolled in the Liability Insurance Plan (the "Plan") offered by an insurance company to provide liability coverage for any damages caused by Officers as prescribed in Article 430-3-(1) of the Companies Act for the purpose of ensuring that the insured (all Directors and Corporate Auditors of the Company and its Subsidiaries, including those who have retired from office or newly appointed) may be compensated for any claims and damages or litigation expenses incurred by any acts (whether intentional or unintentional) of Officers in performance of their duties. If the proposed agenda is approved by the Board, all candidates shall be eligible to enroll in the Plan as insured. The premium for this Plan is paid by the Company for all insured persons. The term of the Plan shall be is renewable on the same conditions during the term of office.

Resolution 2: Reduction of Legal Capital Surplus

With the aim of optimizing our financial position, we hereby request your approval to reduce the amount of legal capital surplus pursuant to the provisions of Paragraph 1 of Article 448 of the Companies Act as follows:

(1) Amount of legal capital surplus to be reduced
JPY 8,004,085,703

(2) Method of reduction of legal capital surplus
The entire amount of the legal capital surplus to be reduced shall be transferred to other capital surplus.

(3) Schedule for reduction of legal capital surplus
The effective date of the reduction of the amount of legal capital surplus is July 30, 2024.
The schedule details are as follows:

(i)Resolution of the Board of Directors	July 5, 2024
(ii)Resolution of General Meeting of Shareholders	July 30, 2024
(iii)Effective Date	July 30, 2024

Resolution 3: Appropriation of Surplus

With the aim of optimizing our financial position, and under the condition of the successful approval and effectiveness of Resolution 2, we hereby request your approval to transfer JPY 8,004,085,703 of other capital surplus to retained earnings and compensate it for the same amount of deficit as of July 30, 2024.