Note: This document has been translated from the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.

September 13, 2024

Consolidated Financial Results for the Three Months Ended July 31, 2024 (Under IFRS)

Company name: Astroscale Holdings Inc.
Listing: Tokyo Stock Exchange
Securities code: 186A
URL: https://astroscale.com/ja/
Representative: Mitsunobu Okada, Representative Director, President and CEO
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Scheduled date to commence dividend payments: ―
Preparation of supplementary material on financial results: Yes
Holding of financial results briefing: None

(Yen amounts are rounded down to millions, unless otherwise noted.)

1. Consolidated financial results for the three months ended July 31, 2024 (from May 1, 2024 to July 31, 2024)

(1) Consolidated operating results (cumulative)

(Percentages indicate year-on-year changes.)

	Project Income		Revenue		Operating profit		Profit before tax		Profit	
Three months ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
July 31, 2024	1,166	102.1	239	(58.5)	(7,597)	―	(8,579)	―	(8,579)	―
July 31, 2023	577	148.3	577	148.3	(2,470)	―	(1,776)	―	(1,776)	―

Note: Project income is calculated by adding revenue from customers and government subsidy income only related to grants for which use is tied to specific projects.

	Profit attributable to owners of parent		Total comprehensive income		Basic earnings per share	Diluted earnings per share
Three months ended	Millions of yen	%	Millions of yen	%	Yen	Yen
July 31, 2024	(8,579)	―	(7,863)	―	(80.98)	(80.98)
July 31, 2023	(1,776)	―	(2,090)	―	(19.73)	(19.73)

(2) Consolidated financial position

	Total assets	Total equity	Equity attributable to owners of parent	Ratio of equity attributable to owners of parent to total assets
As of	Millions of yen	Millions of yen	Millions of yen	%
July 31, 2024	38,366	17,575	17,575	45.8
April 30, 2024	24,990	5,401	5,401	21.6

2. Cash dividends

	Annual dividends per share				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended April 30, 2024	—	0.00	—	0.00	0.00
Fiscal year ending April 30, 2025	—				
Fiscal year ending April 30, 2025 (Forecast)		0.00	—	0.00	0.00

Note: Revisions to the forecast of cash dividends most recently announced: None

3. Consolidated financial forecast for the fiscal year ending April 30, 2025 (from May 1, 2024 to April 30, 2025)

(Percentages indicate year-on-year changes.)

	Project Income	
	Millions of yen	%
Annual	18,000	285.7

Note: 1. Revisions to the consolidated financial forecast most recently announced: None

2. The Company has omitted consolidated financial forecasts for the second quarter (cumulative) since the Company manages business performance on an annual basis. In addition, the Company discloses full-year forecast only for project income at this time, as the Company considers it difficult to reasonably estimate revenue, each profit (operating profit, profit before tax, profit, and profit attributable to owners of parent), and basic earnings per share at this point. Regarding the details, please refer to "1. Qualitative Information on the Financial Results for the Period under Review (4) Special note regarding forward-looking statements" on page 6 of the attached document.

*** Notes**

(1) Significant changes in the scope of consolidation during the period: None
Newly included: － companies
Excluded: － companies

(2) Changes in accounting policies and changes in accounting estimates
(i) Changes in accounting policies required by IFRS: None
(ii) Changes in accounting policies due to other reasons: None
(iii) Changes in accounting estimates: None

(3) Number of issued shares (ordinary shares)

(i) Total number of issued shares at the end of the period (including treasury shares)

As of July 31, 2024	116,539,600 shares
As of April 30, 2024	90,859,200 shares

(ii) Number of treasury shares at the end of the period

As of July 31, 2024	－ shares
As of April 30, 2024	－ shares

(iii) Average number of shares outstanding during the period (cumulative from the beginning of the fiscal year)

Three months ended July 31, 2024	105,955,160 shares
Three months ended April 30, 2024	90,048,200 shares

* Review of the Japanese-language originals of the attached consolidated quarterly financial statements by certified public accountants or an audit firm: None.

* Proper use of earnings forecasts, and other special matters

(Notes on forward-looking statements)

The forecasts and other forward-looking statements contained in this document are based on information currently available to the Group and on certain assumptions that are judged to be reasonable, and are not intended to be a promise by the Company that they will be achieved. Actual results may differ materially due to various factors.

(How to obtain the supplementary materials on financial results)

The Company will not hold a financial result briefing session for institutional investors and securities analysts for the first quarter. The material to be distributed in regular briefing session will be disclosed on the Company website promptly after the financial results are announced.

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1. Qualitative Information on the Financial Results for the Period under Review

(1) Overview of Operating Results

During the three months ended July 31, 2024, the global economy experienced a gradual recovery trend, reflecting normalization of social and economic activities after COVID-19. However, the prolonged inflation continuing from the previous fiscal year, rising interest rates in Japan, persistently high policy interest rates in the U.S. and Europe, and heightened concerns over geopolitical risks have led to a challenging business environment. As a result, stock markets, interest rates, and exchange rates have remained volatile, and continue to face uncertainty.

Deterioration of the space environment due to increase in space debris is an urgent issue for all nations. The number of space debris, which continues to grow each year, is estimated to be more than 40,500 pieces for debris larger than 10 cm, according to a publication by the European Space Agency (ESA) in June 2024.

With regards to the on-orbit servicing 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 on-orbit servicing and initiative on space sustainability increased significantly on the back of growing discussions among and announcements from global actors including space agencies. In June 2024, the G7 Leaders' Communiqué announced at the G7 Apulia Summit followed the footsteps of the G7 Hiroshima Summit in May 2023 by welcoming national efforts to develop further solutions for space debris mitigation and remediation, including further research and development of orbital debris mitigation and remediation technologies, and the development of space sustainability standards and regulations. Global governments and other international organizations were also active in such regulatory activities. According to a publication in July 2024 by the Space Foundation, a nonprofit organization, the global space economy grew by 7.4% in 2023. Commercial revenues accounted for 78% of the space economy, while government spending maintained double-digit growth for the third consecutive year. In Japan, the JAXA Space Strategy Fund, which is estimated to be worth 1 trillion yen in total, has started to request for proposals on several themes from July 2024.

On the back of growing momentum to drive demand for space-related spending and commercial on-orbit servicing from both government and private companies, in July 2024, the final phase (Phase 4) of ELSA-M has been contracted in the Sunrise Programme, a part of the ESA's Advanced Research in Telecommunications Systems (ARTES) programme. Furthermore, in August 2024, in the period after the three months ended July 31, 2024, the contract for the Commercial Debris Removal Demonstration (CRD2) Phase II has been signed with the Japan Aerospace Exploration Agency (JAXA). We position these contracts as important missions that will contribute to the development and commercialization of on-orbit services in the future.

The Group’s overall operation is comprised of a single business unit of On-orbit Servicing Business and therefore segment information is 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 Services (EOL), Active Debris Removal (ADR), Life Extension Services (LEX), and In-situ Space Situational Awareness (ISSA):

The progress of the Group's main mission pipelines during the three months ended July 31, 2024, is as follows.

Project	Service	Progress
ADRAS-J	ISSA	Our Japanese subsidiary Astroscale Japan Inc. 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 CRD2 project, in February 2024. - April 2024 Successfully approached to several hundred meters behind the debris and captured images of the debris during the process. - June to July 2024 Successfully approached the debris to a distance of approximately 50 meters and conducted fixed-point observations from that distance. Then, while maintaining a distance of approximately 50 meters, conducted a fly-around observation and captured images from various angles. Fly-around observation involves flying around an object while maintaining a controlled fixed point relative position which is a very advanced form of RPO (rendezvous and proximity operations) technology. Based on our understanding, this is the world's first demonstration of a direct observation of debris on orbit including capturing images at a close distance.
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. This is a satellite that can remove multiple satellites in a single mission, with capabilities further advanced from ELSA-d, which has been successfully demonstrated on orbit. Astroscale Ltd has been progressing Sunrise Phase 3 (€14.79 million*) and has signed a contract for Phase 4 (€13.95 million*) in July 2024. This Phase 4 includes phases from satellite manufacturing to on-orbit demonstration. We are also currently engaged in negotiations with a number of satellite companies and governments on installing docking plates with an eye on future commercial service.
COSMIC	ADR	Astroscale Ltd has completed the Cleaning Outer Space Mission through Innovative Capture (COSMIC) Phase B funded by the UK Space Agency (approx. £2.0 million*) and submitted a bid for the subsequent phase. On September 5, 2024, in the period after the three months ended July 31, 2024, the contract for COSMIC Phase 2 was signed (£1.95 million*). COSMIC Phase 2 is a subsequent phase of the mission, focusing on maturing and de-risking the key technologies, previously referred to as COSMIC Phase C. It is anticipated that a separate tender will be held for the ADR mission phase.
ISSA-J1 (Formerly SBIR)	ISSA	Astroscale Japan Inc. was selected by the Ministry of Education, Culture, Sports, Science and Technology (MEXT) in September 2023 under the Small/Startup Business Innovation Research (SBIR) program to conduct a large-scale technology demonstration project for developing technologies to reduce space debris. Astroscale Japan Inc. has been steadily proceeding with Phase 1 of this project.

APS-R	LEX	Our U.S. subsidiary Astroscale U.S. Inc. has been steadily proceeding with a program to develop a prototype satellite for refueling on orbit (approx. $25.5 million*) awarded from the Space Systems Command in September 2023. The contract amount was increased from $25.5 million to $26.9 million on June 17, 2024.
ADRAS-J2	ADR	This program is Phase II of CRD2 and is a follow-on mission of ADRAS-J which is under demonstration by Astroscale Japan Inc. It will include capture and deorbit in addition to the rendezvous operations to approach and observe an upper stage of a Japanese rocket body. In August 2024, in the period after the three months ended July 31, 2024, Astroscale Japan Inc. signed the contract for CRD2 Phase II (¥12.0 billion*) with JAXA.
LEXI-P	LEX	Astroscale U.S. is leading the development of LEXI-P, our first commercial life extension servicer, and has been steadily proceeding towards the Payload Critical Design Review (CDR) phase of development. Astroscale U.S. Inc. has continued negotiating with a certain customer which 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*) to provide LEX service.
Project A	LEX	We submitted a bid.

(*) 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.

As a result, for the three months ended July 31, 2024, revenue was ¥239,387 thousand (down 58.5% year-on-year), operating loss was ¥7,597,659 thousand (operating loss of ¥2,470,105 thousand in the three months ended July 31, 2023), loss before income tax was ¥8,579,659 thousand (loss before income tax of ¥1,776,477 thousand in the three months ended July 31, 2023) mainly due to foreign exchange loss (finance costs) of ¥832,332 thousand and interest expenses (finance costs) of ¥165,312 thousand, and loss attributable to owners of the parent was ¥8,579,996 thousand (loss attributable to owners of the parent of ¥1,776,814 thousand in the three months ended July 31, 2023).

For reference, project income* for the three months ended July 31, 2024 was ¥1,166,500 thousand (up 102.1% compared to the three months ended July 31, 2023), of which, government subsidy income was ¥927,113 thousand.

(*) We present above project income, which includes revenue from customers and government subsidy income only related to grants for which use is tied to specific projects. We believe project income provides investors with additional information in relation to the sources of income derived from our project-related activities, as we pursue a wide range of project activities regardless of the funding scheme. Management monitors project income as the primary indicator of income of project-related activities. Project income is not a financial measure prescribed by IFRS but is a supplemental financial measure that we believe is useful for investors to assess income derived from projects and their funding sources. However, non-IFRS measures have a number of important limitations and should not be viewed as a substitute for financial information prepared in accordance with IFRS. Due to the limitations inherent in non-IFRS measures, investors should not solely rely on non-IFRS measures in assessing our performance and financial condition.

(2) Overview of Financial Position

Assets

Total assets were ¥38,366,262 thousand, an increase of ¥13,375,452 thousand from the end of the previous fiscal year. This was mainly due to an increase of ¥13,144,116 thousand in cash and cash equivalents resulting from proceeds from issuance of shares.

Liabilities

Total liabilities were ¥20,790,444 thousand, an increase of ¥1,200,991 thousand from the end of the previous fiscal year. This was mainly due to an increase of ¥2,296,956 thousand in provisions and an increase of ¥587,010 thousand in borrowings, while trade and other payables decreased by ¥1,118,785 thousand and deferred income decreased by ¥472,243 thousand.

Equity

Total equity was ¥17,575,818 thousand, an increase of ¥13,375,452 thousand from the end of the previous fiscal year. This was mainly due to an increase of ¥19,854,974 thousand in share capital and capital surplus, as a result of the issuance of new shares, and a decrease of ¥8,579,996 thousand in retained earnings as a result of the loss for the period

As a result, ratio of equity attributable to owners of parent to total assets was 45.8%.

(3) Overview of Cash Flows

Cash and cash equivalents were ¥27,340,344 thousand, an increase of ¥13,144,116 thousand from the end of the previous fiscal year.

Cash flow recorded through the three months ended July 31, 2024 and main factors are as follows:

Cash flow from operating activities

Cash flow from operating activities decreased our cash by ¥6,967,572 thousand. This was mainly due to loss before tax of ¥8,579,659 thousand and increase in provisions of ¥2,325,385 thousand.

Cash flow from investing activities

Cash flow from investing activities decreased our cash by ¥171,101 thousand. This was mainly due to purchase of property, plant and equipment of ¥135,190 thousand.

Cash flow from financing activities

Cash flow from financing activities increased our cash by ¥20,465,428 thousand. This was mainly due to proceeds from issuance of shares of ¥19,854,974 thousand and a net increase in short-term loans payable of ¥612,000 thousand.

(4) Special note regarding forward-looking statements

The Group is concurrently being awarded and developing multiple missions at its entities in each country. Please refer to “1. Qualitative Information on the Financial Results for the Period under Review (1) Overview of Operating Results” for the specific major pipelines.

All of these major pipelines are large projects, and the method of revenue recognition and expense recognition will vary depending on the details of the contracts. Therefore, we have determined that it is difficult to reasonably estimate revenue, profits (operating profit, profit before tax, profit, and profit attributable to owners of parent), and basic earnings per share at this time, and have decided to disclose full-year forecasts only for project income.

As a result, for the fiscal year ending April 2025, the Company forecasts project income of 18,000 million yen (increase of 285.7% year-on-year). On July 19, 2024, the Company announced in the “Notice Regarding Contract Signing for ELSA-M Final Phase (Phase 4)” that it expected to record a provision for loss on order received in connection with the contract award for ELSA-M Phase 4 in the three months ended July 31, 2024. The actual amount recorded for the first quarter of the current fiscal year was ¥3,204,746 thousand.

2. Condensed Quarterly Consolidated Financial Statements

(1) Condensed Quarterly Consolidated Statement of Financial Position

(Thousands of yen)

	As of April 30, 2024	As of July 31, 2024
Assets		
Current assets		
Cash and cash equivalents	14,196,227	27,340,344
Trade and other receivables	1,044,611	735,732
Contract assets	794,778	952,881
Income taxes receivable	927,960	858,649
Other assets	782,538	1,341,688
Total current assets	17,746,116	31,229,294
Non-current assets		
Property, plant and equipment	6,214,870	6,107,182
Intangible assets	220,550	242,308
Goodwill	487,146	468,167
Financial assets	321,980	289,935
Other assets	145	29,372
Total non-current assets	7,244,692	7,136,967
Total assets	24,990,809	38,366,262

(Thousands of yen)

	As of April 30, 2023	As of July 31, 2024
Liabilities and equity		
Liabilities		
Current liabilities		
Trade and other payables	2,945,913	1,827,128
Deferred income	923,561	451,317
Loans payable	2,487,960	3,099,960
Income taxes payable	3,530	3,782
Provisions	2,071,666	2,095,319
Lease liabilities	239,442	229,609
Other liabilities	192,352	198,442
Total current liabilities	8,864,425	7,905,560
Non-current liabilities		
Loans payable	7,375,050	7,350,060
Provisions	271,635	2,544,938
Lease liabilities	3,078,341	2,989,884
Total non-current liabilities	10,725,026	12,884,883
Total liabilities	19,589,452	20,790,444
Equity		
Share capital	100,000	10,185,359
Capital surplus	7,858,848	9,724,988
Retained earnings (deficit)	(679,294)	(1,255,205)
Other components of equity	(1,878,196)	(1,079,323)
Total equity attributable to owners of parent	5,401,357	17,575,818
Non-controlling interests	—	—
Total equity	5,401,357	17,575,818
Total liabilities and equity	24,990,809	38,366,262

(2) Condensed Quarterly Consolidated Statement of Profit or Loss and Condensed Quarterly Consolidated Statement of Comprehensive Income

Condensed Quarterly Consolidated Statement of Profit or Loss

Three months ended July 31, 2024

(Thousands of yen)

	Three months ended July 31, 2023	Three months ended July 31, 2024
Revenue	577,176	239,387
Cost of sales	(745,312)	(3,740,731)
Gross profit (loss)	(168,136)	(3,501,343)
Selling, general and administrative expenses	(2,302,287)	(5,250,988)
Other income	318	1,154,673
Operating profit (loss)	(2,470,105)	(7,597,659)
Finance income	809,693	15,645
Finance costs	(116,066)	(997,645)
Profit (loss) before tax	(1,776,477)	(8,579,659)
Income tax (expense) benefit	(337)	(337)
Profit (loss)	(1,776,814)	(8,579,996)
Profit (loss) attributable to:		
Owners of parent	(1,776,814)	(8,579,996)
Non-controlling interests	—	—
Profit (loss)	(1,776,814)	(8,579,996)

(Yen)

Earnings per share		
Basic earnings (loss) per share	(19.73)	(80.98)
Diluted earnings (loss) per share	(19.73)	(80.98)

Condensed Quarterly Consolidated Statement of Comprehensive Income

Three months ended July 31, 2024

(Thousands of yen)

	Three months ended July 31, 2023	Three months ended July 31, 2024
Profit (loss)	(1,776,814)	(8,579,996)
Other comprehensive income		
Items that may be reclassified to profit or loss		
Exchange differences on translation of foreign operations	(313,675)	716,369
Total of items that may be reclassified to profit or loss	(313,675)	716,369
Total other comprehensive income (loss)	(313,675)	716,369
Comprehensive income (loss)	(2,090,490)	(7,863,627)
Comprehensive income (loss) attributable to:		
Owners of parent	(2,090,490)	(7,863,627)
Non-controlling interests	—	—
Comprehensive income (loss)	(2,090,490)	(7,863,627)

(3) Condensed Quarterly Consolidated Statement of Changes in Equity

Three months ended July 31, 2023

(Thousands of yen)

	Equity attributable to owners of parent									
				Other components of equity						
	Share capital	Capital surplus	Retained earnings (deficit)	Share acquisition rights	Financial assets measured at fair value through other comprehen-sive income	Exchange differences on translation of foreign operations	Total	Total	Non-controlling interests	Total equity
Balance as of May 1, 2023	100,000	19,643,073	(4,287,627)	108,385	(14,999)	(658,236)	(564,850)	14,890,596	–	14,890,596
Loss			(1,776,814)				–	(1,776,814)		(1,776,814)
Other comprehensive income (loss)						(313,675)	(313,675)	(313,675)		(313,675)
Total comprehensive income (loss)	–	–	(1,776,814)	–	–	(313,675)	(313,675)	(2,090,490)	–	(2,090,490)
Share-based payment transactions				2,080			2,080	2,080		2,080
Total transactions with owners and other transactions	–	–	–	2,080	–	–	2,080	2,080	–	2,080
Balance as of July 31, 2023	100,000	19,643,073	(6,064,441)	110,465	(14,999)	(971,912)	(876,445)	12,802,185	–	12,802,185

Three months ended July 31, 2024

(Thousands of yen)

	Equity attributable to owners of parent									
				Other components of equity						
	Share capital	Capital surplus	Retained earnings (deficit)	Share acquisition rights	Financial assets measured at fair value through other comprehen-sive income	Exchange differences on translation of foreign operations	Total	Total	Non-controlling interests	Total equity
Balance as of May 1, 2024	100,000	7,858,848	(679,294)	201,687	(14,999)	(2,064,884)	(1,878,196)	5,401,357	–	5,401,357
Loss			(8,579,996)				–	(8,579,996)		(8,579,996)
Other comprehensive income (loss)						716,369	716,369	716,369		716,369
Total comprehensive income (loss)	–	–	(8,579,996)	–	–	716,369	716,369	(7,863,627)	–	(7,863,627)
Issuance of new shares	10,035,054	10,035,054					–	20,070,109		20,070,109
Deficit disposition		(8,004,085)	8,004,085				–	–		–
Share-based payment transactions				88,219			88,219	88,219		88,219
Exercise of share acquisition rights	50,305	50,305		(5,715)			(5,715)	94,895		94,895
Share issuance costs		(215,135)					–	(215,135)		(215,135)
Total transactions with owners and other transactions	10,085,359	1,866,139	8,004,085	82,503	–	–	82,503	20,038,088	–	20,038,088
Balance as of July 31, 2024	10,185,359	9,724,988	(1,255,205)	284,191	(14,999)	(1,348,515)	(1,079,323)	17,575,818	–	17,575,818

(4) Condensed Quarterly Consolidated Statement of Cash Flows

(Thousands of yen)

	Three months ended July 31, 2023	Three months ended July 31, 2024
Cash flows from operating activities		
Profit (loss) before tax	(1,776,477)	(8,579,659)
Depreciation and amortization of intangible assets	173,094	257,203
Decrease (increase) in trade and other receivables	(474,863)	(578,052)
Increase (decrease) in trade and other payables	(874,875)	(1,075,474)
Increase (decrease) in provisions	(1,007,010)	2,325,385
Share-based payment expenses	2,080	88,219
Interest income	(12,904)	(15,645)
Interest expenses	115,990	165,312
Government subsidy income	—	(927,113)
Foreign exchange loss (gain)	(530,408)	848,574
Other	(1,042)	(6,529)
Subtotal	(4,386,418)	(7,497,778)
Interest received	12,904	15,248
Interest paid	(118,053)	(165,466)
Proceeds from government subsidy income	148,287	401,197
Income taxes refund (paid)	(1,210)	279,226
Net cash used in operating activities	(4,344,490)	(6,967,572)
Cash flows from investing activities		
Purchase of property, plant and equipment	(808,560)	(135,190)
Purchase of intangible assets	(375)	(35,910)
Payments of leasehold deposits	(12,954)	—
Net cash used in investing activities	(821,889)	(171,101)

Cash flows from financing activities		
Proceeds from issuance of shares	—	19,854,974
Proceeds from exercise of share acquisition rights	—	94,895
Net increase (decrease) in short-term loans payable	—	612,000
Proceeds from long-term loans payable	636,000	—
Repayments of long-term borrowings	—	(24,990)
Repayments of lease liabilities	(66,703)	(71,451)
Net cash provided by financing activities	569,296	20,465,428
Effect of exchange rate changes on cash and cash equivalents	265,833	(182,638)
Net increase (decrease) in cash and cash equivalents	(4,331,249)	13,144,116
Cash and cash equivalents at the beginning of year	22,678,990	14,196,227
Cash and cash equivalents at the end of year	18,347,741	27,340,344

(5) Notes for Condensed Consolidated Financial Statements

1. Notes Concerning Going Concern Assumption

Not applicable.

2. Segment Information

(1). Overview of reportable segment

The Group undertakes research and development in technologies regarding on-orbit services such as debris removal and demonstrations in outer space.

These on-orbit services developed by the Group have common underlying technologies, though there are different types depending on the orbits on which target debris or satellites exist, and service contents provided with targeting them. Accordingly, the Group's senior management decision-making body reviews operating results to determine the allocation of management resources and evaluate the business performance, targeting the entire on-orbit servicing business. Therefore, the Group considers the business segment as a single segment of the on-orbit servicing business and single reportable segment, and omitted information by reportable segment.

(2). Information about products and services

Revenue from external customers for each product and service are as follows.

(Thousands of yen)

	Three months ended July 31, 2023	Three months ended July 31, 2024
Project revenue (Note 1)	572,013	238,475
Other revenue (Note 2)	5,162	912
Total	577,176	239,387

Notes: 1. Project revenue includes revenues earned from research and development projects and demonstration projects related to the on-orbit services developed by the Group.

2. Other revenue includes income from sponsorship such as logo placement.

3. Significant subsequent events

(1). Signing of a significant contract

Astroscale Japan Inc., our Japanese subsidiary, signed a significant contract with the Japan Aerospace Exploration Agency (JAXA) for the Commercial Removal of Debris Demonstration (CRD2) Phase II (¥12.0 billion) on August 20.

The CRD2 program aims to demonstrate rendezvous and proximity operations (RPO) and removal of large debris in two phases.

In Phase I, we developed the commercial debris removal demonstration satellite "ADRAS-J", and have been conducting the mission since February 2024. ADRAS-J involves safely approaching the debris, conducting proximity operations, and acquiring rare and valuable image data.

In Phase II, we will conduct similar operations of approach the debris, proximity operations, obtaining further image data, and also performing debris capture and deorbiting.

Revenue from this project is expected to be recognized over the contract period (up to the end of March 2029).

3. Supplementary Information

(1) Order Bookings and Backlog

The Group considers the business segment as a single segment of the on-orbit servicing business. The order bookings and order backlog for the three months ended July 31, 2024 are as follows. (Note 1)

(Thousands of yen)

	Fiscal year ended April 30, 2024	Three months ended July 31, 2024	
	Order backlog	Order bookings	Order backlog
On-orbit servicing business	5,411,832	2,582,613	6,665,415
Total	5,411,832	2,582,613	6,665,415

Notes:

1. Order bookings represents the total contract amount (including amounts paid and contracted to be paid to us) under contracts that were executed in a particular fiscal period. Order backlog represents the total amount of order bookings for all prior periods that had not yet been recorded as revenue or government subsidy income as of a particular date. If our progress of technological development and other conditions that are stipulated in the contracts are not fulfilled, a portion of the milestone payments to be paid for our provision of services may not be paid, and as such, we may not actually recognize such revenue or government subsidy income in the amounts shown or at all.
2. Expected order backlog from non-competitive follow-on phases represents anticipated contract amounts for project phases as to which we have not entered into a binding contract, but as to which we are not currently aware of any other competitor. As of the end of the three months ended July 31, 2024, ISSA-J1 (formerly SBIR) Phases 2 and 3 meet this definition and the amount is expected to be ¥9,310 million. There can be no assurance that we will be able to enter into binding contracts, and the actual contract amounts may differ from the anticipated contract amounts, even if we are awarded for such phases at all, since the contracts for the follow-on phases have not yet been signed.
3. In August 2024, in the period after the three months ended July 31, 2024, Astroscale Japan Inc. signed the contract for CRD2 Phase II (contract amount: ¥12,000 million) with JAXA. For reference, a simple sum of the order backlog at the end of the three months ended July 31, 2024, the expected order backlog at the end of the three months ended July 31, 2024 in Note 2, and the contract amount for CRD2 Phase II concluded in August 2024 is ¥27,975,959 thousand. We may not actually recognize such revenue or government subsidy income in the amounts shown or at all for the reasons stated in Notes 1 to 3.
4. In the three months ended July 31, 2024, there were significant changes in total order bookings and order backlog in the on-orbit servicing business segment. The increase was mainly due to the award of the ELSA-M Phase 4 contract from Eutelsat OneWeb.