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November 18, 2024

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

Notice Regarding Change of Grant Amount for ISSA-J1 Phase 1 and Advanced Payment for Phase 2

Astroscale Holdings Inc. ("Company" or "we") hereby announces that Astroscale Japan Inc. (“Astroscale Japan”), our Japanese subsidiary, has submitted a plan amendment for Phase 1 and an advanced payment for Phase 2 pertaining to ISSA-J1 (formerly SBIR), which was accepted by the Green Investment Promotion Organization (GIO). The reduction of grant amount for Phase 1 and the advanced grant amount for Phase 2 are both 812 million yen. There is no change to the maximum grant amount of ¥12,000 million expected to be funded through all three phases of the project.
ISSA-J1 is a mission to image and diagnose large satellites debris in their proximity. In September 2023, Astroscale Japan was selected by the Ministry of Education, Culture, Sports, Science and Technology of Japan (MEXT) for the research and development theme “Development and Demonstration of Technology Required for Space Debris Reduction” under the space field of the Small and Medium Business Innovation Fund (SBIR Fund).

1. Change Summary

Grant amount reduction for Phase 1: ¥812 million (before change: ¥2,690 million, after change: ¥1,878 million)
Advanced grant amount for Phase 2: ¥812 million

After this change, there is no change in the total grant amount (up to ¥12,000 million) and the project period (up to the end of March 2028) throughout all three phases of the project.
This matter was resolved by the Board of Directors of Astroscale Japan on November 18, 2024.

2. Background to the Change

As a result of discussions with GIO regarding the scope of the grant amount, it was concluded that grant funding should be applied for based on delivery of final products from suppliers rather than at the timing of milestones, which is customary under the milestone payment method in which suppliers are paid when each milestone is achieved. Therefore, it was decided that the grant application for deliverables in Phase 1 should be submitted in Phase 2. Consequently, the grant amount for Phase 1 was reduced, and a advanced grant application for the same amount was submitted for Phase 2.

3. Impact on Financial Results

The impact of this change on consolidated financial forecast (project income) for the fiscal year ending April 2025 is expected to be minimal at this time, assuming advance payment on the advanced grant application for Phase 2. We will promptly disclose information on any further events that require disclosure. Project income from this project is expected to be recognized over the project period.

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