Supplementary Materials on Share Disposition by INCJ



Astroscale Holdings Inc.

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Astroscale Proprietary

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Key Points Regarding the Share Disposition by INCJ

The following are the key points regarding the share disposition executed by INCJ, Ltd. (“INCJ”) on Jan. 17, 2025.

- Astroscale shares held by INCJ
  - INCJ is a public/private fund established in Sep. 2018. INCJ aims to sell all investments (including our shares) by Mar. 2025, based on their activity guidelines.
  - INCJ owned 17,041,200 shares (14.6% voting rights) as of Oct. 2024 end, being our 2nd largest shareholder and major shareholder.

- Disposition of Astroscale shares by INCJ
  - INCJ executed a “block trade” to sell shares to institutional investors and corporates off market between Jan. 16, 2025 market close and Jan. 17 early morning.
  - A block trade can minimize supply/demand impact for large volume share sales, where a market sale may result in downward price pressure over a long time.

- **This share disposition entails many positive factors for the investment environment of our shares such as the following:**
  1. **Elimination of overhang concern(1)** by concluding a significant disposition due by Mar. 2025.
  2. **Swift overnight execution(2)** despite possibility of extended market sale due to significant number of shares to be disposed.
  3. **Diversification and stabilization of investor base** as a result of shares being sold to multiple institutional investors and corporates.

- Our understanding is that there are no negative intentions from INCJ with respect to this sale from the following perspectives:
  - Sale timing was driven by INCJ’s activity guidelines and was not influenced by our strategy or financial forecast.
  - INCJ is an independent public/private fund. This disposition has no impact on our activities and relationship with the government.

- We are currently unaware of any other large shareholder aiming to dispose shares in the short-term in a manner or volume that may have adverse market impact.

(1) Overhang concern: A concern on worsening demand/supply in the future due to a possible significant sale of shares from a large shareholder, etc.
(2) Overnight execution: A transaction that is concluded between market close and market open on the next day.

Overview of INCJ

While INCJ was our 2nd largest shareholder, they were required to exit the stake by end of Mar. 2025.

Overview of INCJ

- **Innovation Network Corporation of Japan ("Former INCJ")** was established in Jul. 2007 as a temporary public/private fund to solve structural issues in Japanese industry and underwrite risk that could not be taken by private funds.
- **Former INCJ** evolved into **Japan Investment Corporation** in Sep 2018 due to revision of the Industrial Competitiveness Enhancement Act. **INCJ** succeeded existing operations of **Former INCJ** at that time.
- **INCJ aims to conclude activities by Mar. 2025 and exit all investment assets (including our shares) by that time**, based on the framework of the Industrial Competitiveness Enhancement Act prior to revision.
- 113 out of 144 investments were exited by the end of Apr. 2024. In a conference held on Jul. 30, 2024, INCJ mentioned that **they will focus on exiting the remaining 31 investments by the end of Mar. 2025.**
- INCJ first invested in Astroscale in 2016. Through leading our Series B, C and D, they owned 17,041,200 shares (14.6% ownership) as of Oct. 2024 end, **being our 2nd largest shareholder and major shareholder.**

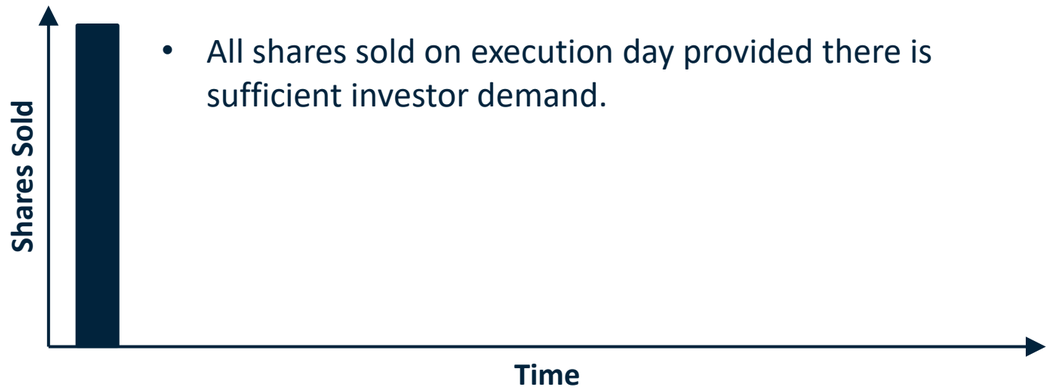
Top 10 Shareholders (As of Oct. 2024 End)

	Shareholder	Shares Held	Ownership
1	Mitsunobu Okada	24,840,300	21.28%
2	**INCJ, Ltd.**	**17,041,200**	**14.60%**
3	JAFCO SV4 Investment Limited Partnership	4,405,000	3.77%
4	Goonies Co., Ltd.	3,239,700	2.78%
5	AS aSTART 1 Limited Partnership	2,950,200	2.53%
6	Mitsubishi Electric Corporation	2,649,700	2.27%
7	Custody Bank of Japan, Ltd. (Trust Account)	2,646,700	2.27%
8	Space aSTART 1 Limited Partnership	2,597,000	2.22%
9	Japan Growth Capital Investment Corporation	2,523,700	2.16%
10	CEPLUX- THE INDEPENDENT UCITS PLATFORM 2	2,250,000	1.93%

Source: INCJ website, INCJ conference materials (Jul. 30, 2025)

Explanation on Block Trades

Block trades enable swift execution of large share dispositions provided there is sufficient investor demand.
Diversification and stabilization of shareholder base may also be possible by selling shares to institutional investors with interest in the business.

	Illustrative Sale Mechanism	Considerations
Market Sale	 • Daily low volume sale until complete disposition. • Shares sold on each day dependent on market volume.	✓ Minimal preparation, cost and timing restrictions. ✗ Long time required for complete sale (Requires approx. 170 business days(1) to sell 17 mm shares on a daily volume of 1 mm shares.) ✗ Negative price pressure during sale period. ✗ Negative price pressure from continued announcement of large shareholdings reports signaling divestment from a large shareholder.
Block Trade	 • All shares sold on execution day provided there is sufficient investor demand.	✓ Short execution for a large disposition (provided sufficient demand). ✓ Minimize negative price pressure from extended market sale. ✓ Diversification and stabilization of shareholder base by selling shares to investors with interest in the business. ✗ Entails some preparation, cost and timing restrictions.

(1) Assumes sale of 10% of daily volume per day.