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.

March 14, 2025

Consolidated Financial Results for the Nine Months Ended January 31, 2025 (Under IFRS)

Company name: Astroscale Holdings Inc.
Listing: Tokyo Stock Exchange
Securities code: 186A
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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 nine months ended January 31, 2025 (from May 1, 2024 to January 31, 2025)

(1) Consolidated operating results (cumulative)

(Percentages indicate year-on-year changes.)

	Project Income		Revenue		Operating profit		Profit before tax		Profit	
Nine months ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
January 31, 2025	3,709	38.4	1,499	(24.8)	(15,683)	―	(16,323)	―	(16,324)	―
January 31, 2024	2,680	92.2	1,994	51.7	(6,990)	―	(5,823)	―	(5,824)	―

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
Nine months ended	Millions of yen	%	Millions of yen	%	Yen	Yen
January 31, 2025	(16,324)	―	(16,211)	―	(144.33)	(144.33)
January 31, 2024	(5,824)	―	(6,474)	―	(64.43)	(64.43)

(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	%
January 31, 2025	35,852	9,508	9,508	26.5
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	—	0.00	—		
Fiscal year ending April 30, 2025 (Forecast)				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		Revenue		Operating profit		Profit before tax		Profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Annual	12,000	157.1	8,000	180.4	(17,000)	—	(18,500)	—	(18,500)	—

	Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Yen
Annual	(18,500)	—	(162.31)

Note: 1. Revisions to the consolidated financial forecast most recently announced: None
Please refer to "1. Qualitative Information on the Financial Results for the Period under Review (4) Special note regarding forward-looking statements" on page 7 of the attached document for details.

*** Notes**

(1) Significant changes in the scope of consolidation during the period: None

(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 January 31, 2025	117,030,300 shares
As of April 30, 2024	90,859,200 shares

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

As of January 31, 2025	― shares
As of April 30, 2024	― shares

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

Nine months ended January 31, 2025	113,111,381 shares
Nine months ended January 31, 2024	90,390,229 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 and the content of the financial results briefing session)

The Company will not hold a financial results briefing session for institutional investors and securities analysts for the third quarter. The materials to be distributed in regular briefing session will be disclosed via TDnet and on the Company's website promptly on the same day.

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

(1) Overview of Operating Results

The worsening space environment caused by increasing space debris is an urgent issue for all nations. According to a March 2025 publication by the European Space Agency (ESA), the amount of space debris larger than 10 cm is estimated to exceed more than 40,500 pieces and continues to grow each year. Furthermore, over the nine months leading up to January 31, 2025, at least six fragmentations of large objects were observed in orbit, highlighting the increasing severity of the issue.

With regard to the on-orbit servicing business environment, we observed an acceleration in technical developments and policies driven by international organizations, industry groups, and governments worldwide. Awareness of the space debris issue, the need for a framework and commercialization of on-orbit servicing, and initiatives for space sustainability have increased significantly as a result of growing discussions 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 which mentioned the issue of space debris for the first time 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. The U.S. Federal Communications Commission (FCC) revisited the debris reduction guidelines, which established in 2004, and issued an order (the "5-year rule") in September 2022, requiring spacecraft to be removed from orbit within five years of their operational end. After a two-year grace period, this 5-year rule is now applicable to satellites launched on or after September 30, 2024. Additionally, the "Pact for the Future" was adopted unanimously by the United Nations General Assembly with the participation of all 193 member states at the United Nations Summit of the Future held in September 2024. The action goal 56 of the pact calls for strengthening international cooperation in the exploration and use of outer space. Ensuring the safe and sustainable use of space is emphasized as crucial for achieving the SDGs. It is decided that the establishment of a new framework for space debris and other related issues should be discussed at the United Nations Committee on the Peaceful Uses of Outer Space (UN COPUOS). Furthermore, stakeholders, including the relevant private sector, are urged to engage in government processes to enhance the safety and sustainability of space. In June 2024, the Group signed the Zero Debris Charter, facilitated by the European Space Agency (ESA), which outlines high-level guidelines and targets to achieve net-zero debris generation by 2030. In January 2025, we endorsed the newly published Zero Debris Technical Booklet, which presents a collection of technical solutions necessary to achieve the targets of the Zero Debris Charter and adhere to its guiding principles. We recognize this as a significant step towards realizing a safe and sustainable space environment.

According to a July 2024 report 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 percentages growth for the third consecutive year. In addition, according to a publication in January 2025 by Novaspace, global government space-related spending continued to grow by double-digit percentage in 2024, with a notable increase in defense-related spending of approximately 24% over the previous year. In Japan, the 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. We expect further expansion in the space economy through these initiatives.

Amid growing global momentum to promote policies driving demand for space-related spending and on-orbit servicing from both governments and private companies, the Group is continuing to aggressively pursue business alliances and hiring to enhance technical development in order to expand business opportunities for on-orbit servicing. In August 2024, our U.K. subsidiary Astroscale Ltd signed a Memorandum of Understanding (MOU) with Airbus Defence and Space for potential collaboration in on-orbit servicing and debris removal.

In addition, the Group successfully maneuvered to approach and position to a distance of approximately 15 meters from the debris observed through RPO (Rendezvous and Proximity Operations) of the commercial debris removal demonstration ADRAS-J. This was the world's first success as a private company, and we are steadily building up a track record of RPO technology.

Reflecting these efforts, the Group is steadily capturing the growing demand. Key bookings or awards to date in the fiscal year ending April 30, 2025, were as follows.

(Civil/Commercial projects)

- July 2024: Signed a contract for the final phase (Phase 4) of ELSA-M.
- August 2024: Signed a significant contract with the Japan Aerospace Exploration Agency (JAXA) for the Commercial Removal of Debris Demonstration (CRD2) Phase II.
- September 2024: Signed a contract with the UK Space Agency (UKSA) for COSMIC Phase 2.
- January 2025: Signed a contract with ESA for CAT-IOD Phase A.
- January 2025: Selected as a contractor for the research and development (R&D) concept for "Refueling Technology Contributing to Satellite Life Extension" under Key and Advanced Technology R&D through Cross Community Collaboration Program (K Program).
- January 2025: Received a notification of grant decision for Phase 2 of ISSA-J1.

(Defense-related projects)

- January 2025: Signed a contract with BAE Systems plc
- February 2025: Signed a significant contract with Japan Ministry of Defense.

We position these contracts as important missions that will contribute to the development and commercialization of on-orbit services in the future. We lead the on-orbit service industry in terms of contracts awarded, with multiple projects secured in various countries. Having successfully demonstrated core RPO technology twice, we continue to maintain our pioneering position as a leading company in the field of on-orbit servicing.

Our 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 period, 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 nine months ended January 31, 2025, is as follows.

Project	Service	Progress
Civil/Commercial Pipelines		
ADRAS-J	ISSA	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. - November 2024 Successfully maneuvered to approach and position to a distance of approximately 15 meters below the Payload Attach Fitting (PAF), which is assumed to be a capture point in the ADRAS-J2 mission, as our unique mission. Then, autonomous abort demonstrated the effectiveness of the collision avoidance system. 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. On February 25, 2025, in the period after the nine months ended January 31, 2025, the CRD2 Phase I contract was successfully completed upon passing the final milestone review by JAXA.
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. In January 2025, one Astro Digital satellite equipped with the Group's second-generation docking plate was launched for the first time, bringing to 569 satellites in orbit equipped with docking plates that can be captured by the ELSA-M satellites. 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, 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. In January 2025, we successfully completed the Mid-Term Review of COSMIC Phase 2.

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 progressing with Phase 1 of this project. In November 2024, it has been decided the grant amount for Phase 1 was reduced in ¥812 million, and an advance grant application for the same amount was submitted for Phase 2. As a result of discussions with the Green Investment Promotion Organization (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. 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. Then, we completed the stage-gate review of Phase 1 in December 2024 and received a notification of grant decision for Phase 2 on January 24, 2025 (maximum grant amount: ¥6,313 million*).
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. On August 20, 2024, Astroscale Japan Inc. signed the contract for CRD2 Phase II (¥12,000 million*) with JAXA.
LEXI-P	LEX	Our U.S. subsidiary Astroscale U.S. Inc. 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.
K Program (Formerly Project A)	LEX	The objective of this mission is to verify the viability of the refueling system for satellites that have been prepared in advance for on-orbit servicing (cooperative satellites) in space. Astroscale Japan Inc. has been selected as a contractor for the research and development (R&D) concept for "Refueling Technology Contributing to Satellite Life Extension" under Key and Advanced Technology R&D through Cross Community Collaboration Program (K Program). Its total budget is up to ¥12 billion (including indirect costs and consumption tax). Astroscale Japan Inc. will move forward with the procedures for concluding a commissioned research contract with JST for the R&D project, after finalizing the R&D plan through consultations with JST and the Program Director who will oversee and supervise the R&D concept.
Defense-related Pipelines		
APS-R	LEX	Astroscale U.S. Inc. has been steadily proceeding with a program to develop a prototype satellite for refueling on orbit 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, and further increased to $29.4 million* on September 26, 2024.

BAE Systems Project	ISSA	As the first defense-related project in the UK, we will conduct an ISSA mission in collaboration with BAE Systems. Details are confidential. On January 13, 2025, Astroscale Ltd signed a contract with BAE Systems (contract amount: £5.15 million). Initially announced as a "new mission contract" without specifics due to certain sensitivities around the project, we can now disclose that this project is defense-related and would be our first such mission in the UK.
JMoD Project	ISSA	The objective of this project is to conduct in-orbit demonstrations of technologies required to improve space surveillance, such as space domain awareness (SDA[*1]), intelligence gathering, and space operations capabilities in geostationary orbit in the future. The project includes the development and testing of a proto-flight model (PFM[*2]) for a responsive space system demonstration satellite prototype. On February 25, 2025, in the period after the nine months ended January 31, 2025, Astroscale Japan Inc. signed the contract with Japan Ministry of Defense (¥6,609 million*). (*1) Space Domain Awareness (SDA) refers to identifying the operations and utilization of a spacecraft as well as its intentions and capabilities, in addition to its position and orbit. (*2) Proto-Flight Model (PFM) refers to a model that combines the features of a prototype model and a flight model.

(*) 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 non-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 nine months ended January 31, 2025, revenue was ¥1,499,298 thousand (down 24.8% year-on-year), operating loss was ¥15,683,056 thousand (operating loss of ¥6,990,835 thousand in the nine months ended January 31, 2024), loss before income tax was ¥16,323,906 thousand (loss before income tax of ¥5,823,108 thousand in the nine months ended January 31, 2024) mainly due to foreign exchange loss (finance costs) of ¥174,420 thousand and interest expenses (finance costs) of ¥499,791 thousand, and loss attributable to owners of the parent was ¥16,324,919 thousand (loss attributable to owners of the parent of ¥5,824,121 thousand in the nine months ended January 31, 2024).

For reference, project income* for the nine months ended January 31, 2025 was ¥3,709,598 thousand (up 38.4% compared to the nine months ended January 31, 2024), of which, government subsidy income was ¥2,210,299 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 ¥35,852,043 thousand, an increase of ¥10,861,233 thousand from the end of the previous fiscal year. This was mainly due to an increase of ¥9,468,429 thousand in cash and cash equivalents resulting from proceeds from issuance of shares.

Liabilities

Total liabilities were ¥26,343,475 thousand, an increase of ¥6,754,022 thousand from the end of the previous fiscal year. This was mainly due to an increase of ¥5,460,872 thousand in contract liabilities through receipt of an advance payment on a customer contract, an increase of ¥1,552,978 thousand in provisions and an increase of ¥963,030 thousand in borrowings, while trade and other payables decreased by ¥1,444,796 thousand.

Equity

Total equity was ¥9,508,567 thousand, an increase of ¥4,107,210 thousand from the end of the previous fiscal year. This was mainly due to an increase of ¥19,854,446 thousand in share capital and capital surplus, as a result of the issuance of new shares, and a decrease of ¥16,324,919 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 26.5%.

(3) Overview of Cash Flows

Cash and cash equivalents were ¥23,664,657 thousand, an increase of ¥9,468,429 thousand from the end of the previous fiscal year.

Cash flow recorded through the nine months ended January 31, 2025 and main factors are as follows:

Cash flow from operating activities

Cash flow from operating activities decreased our cash by ¥10,787,640 thousand. This was mainly due to loss before tax of ¥16,323,906 thousand, increase in trade and other payables of ¥4,049,173 thousand and increase in provisions of ¥1,553,816 thousand.

Cash flow from investing activities

Cash flow from investing activities decreased our cash by ¥451,051 thousand. This was mainly due to purchase of property, plant and equipment of ¥339,693 thousand.

Cash flow from financing activities

Cash flow from financing activities increased our cash by ¥20,844,536 thousand. This was mainly due to proceeds from issuance of shares of ¥19,854,446 thousand and a net increase in short-term loans payable of ¥1,038,000 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.

Regarding the consolidated financial forecast for the fiscal year ending April 30, 2025, we maintain the forecast figures announced on December 13, 2024, based on consolidated financial results for the nine months ended January 31, 2025, and the recent trends.

2. Condensed Quarterly Consolidated Financial Statements and Main Notes

(1) Condensed Quarterly Consolidated Statement of Financial Position

(Thousands of yen)

	As of April 30, 2024	As of January 31, 2025
Assets		
Current assets		
Cash and cash equivalents	14,196,227	23,664,657
Trade and other receivables	1,044,611	789,231
Contract assets	794,778	1,249,111
Income taxes receivable	927,960	1,118,617
Other assets	782,538	1,935,579
Total current assets	17,746,116	28,757,196
Non-current assets		
Property, plant and equipment	6,214,870	5,978,937
Intangible assets	220,550	296,667
Goodwill	487,146	479,516
Financial assets	321,980	311,144
Other assets	145	28,579
Total non-current assets	7,244,692	7,094,846
Total assets	24,990,809	35,852,043

(Thousands of yen)

	As of April 30, 2024	As of January 31, 2025
Liabilities and equity		
Liabilities		
Current liabilities		
Trade and other payables	2,945,913	1,501,117
Contract liabilities	—	5,460,872
Deferred income	923,561	1,279,504
Loans payable	2,487,960	3,567,610
Income taxes payable	3,530	2,642
Provisions	2,071,666	1,779,609
Lease liabilities	239,442	257,733
Other liabilities	192,352	223,041
Total current liabilities	8,864,425	14,072,132
Non-current liabilities		
Loans payable	7,375,050	7,258,430
Provisions	271,635	2,116,670
Lease liabilities	3,078,341	2,896,241
Total non-current liabilities	10,725,026	12,271,342
Total liabilities	19,589,452	26,343,475
Equity		
Share capital	100,000	10,255,726
Capital surplus	7,858,848	9,794,825
Retained earnings (deficit)	(679,294)	(8,998,918)
Other components of equity	(1,878,196)	(1,543,065)
Total equity attributable to owners of parent	5,401,357	9,508,567
Non-controlling interests	—	—
Total equity	5,401,357	9,508,567
Total liabilities and equity	24,990,809	35,852,043

(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

(Thousands of yen)

	Nine months ended January 31, 2024	Nine months ended January 31, 2025
Revenue	1,994,122	1,499,298
Cost of sales	(2,508,745)	(5,481,524)
Gross profit (loss)	(514,623)	(3,982,225)
Selling, general and administrative expenses	(7,163,346)	(14,415,478)
Other income	687,134	2,714,647
Operating profit (loss)	(6,990,835)	(15,683,056)
Finance income	1,528,126	33,361
Finance costs	(360,399)	(674,212)
Profit (loss) before tax	(5,823,108)	(16,323,906)
Income tax (expense) benefit	(1,012)	(1,012)
Profit (loss)	(5,824,121)	(16,324,919)
Profit (loss) attributable to:		
Owners of parent	(5,824,121)	(16,324,919)
Non-controlling interests	—	—
Profit (loss)	(5,824,121)	(16,324,919)

(Yen)

Earnings per share		
Basic earnings (loss) per share	(64.43)	(144.33)
Diluted earnings (loss) per share	(64.43)	(144.33)

Condensed Quarterly Consolidated Statement of Comprehensive Income

(Thousands of yen)

	Nine months ended January 31, 2024	Nine months ended January 31, 2025
Profit (loss)	(5,824,121)	(16,324,919)
Other comprehensive income		
Items that may be reclassified to profit or loss		
Exchange differences on translation of foreign operations	(649,934)	113,409
Total of items that may be reclassified to profit or loss	(649,934)	113,409
Total other comprehensive income (loss)	(649,934)	113,409
Comprehensive income (loss)	(6,474,055)	(16,211,509)
Comprehensive income (loss) attributable to:		
Owners of parent	(6,474,055)	(16,211,509)
Non-controlling interests	—	—
Comprehensive income (loss)	(6,474,055)	(16,211,509)

(3) Condensed Quarterly Consolidated Statement of Changes in Equity

Nine months ended January 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, 2023	100,000	19,643,073	(4,287,627)	108,385	(14,999)	(658,236)	(564,850)	14,890,596	–	14,890,596
Loss			(5,824,121)				–	(5,824,121)		(5,824,121)
Other comprehensive income (loss)						(649,934)	(649,934)	(649,934)		(649,934)
Total comprehensive income (loss)	–	–	(5,824,121)	–	–	(649,934)	(649,934)	(6,474,055)	–	(6,474,055)
Issuance of new shares	500,000	500,000					–	1,000,000		1,000,000
Share-based payment transactions				12,773			12,773	12,773		12,773
Share issuance costs		(3,500)					–	(3,500)		(3,500)
Total transactions with owners and other transactions	500,000	496,500	–	12,773	–	–	12,773	1,009,273	–	1,009,273
Balance as of January 31, 2024	600,000	20,139,573	(10,111,748)	121,158	(14,999)	(1,308,171)	(1,202,012)	9,425,813	–	9,425,813

Nine months ended January 31, 2025

(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			(16,324,919)				–	(16,324,919)		(16,324,919)
Other comprehensive income (loss)						113,409	113,409	113,409		113,409
Total comprehensive income (loss)	–	–	(16,324,919)	–	–	113,409	113,409	(16,211,509)	–	(16,211,509)
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				238,564			238,564	238,564		238,564
Exercise of share acquisition rights	120,671	120,671		(15,633)			(15,633)	225,709		225,709
Forfeiture of share acquisition rights			1,210	(1,210)			(1,210)	–		–
Share issuance costs		(215,663)					–	(215,663)		(215,663)
Total transactions with owners and other transactions	10,155,726	1,935,977	8,005,295	221,721	–	–	221,721	20,318,720	–	20,318,720
Balance as of January 31, 2025	10,255,726	9,794,825	(8,998,918)	423,408	(14,999)	(1,951,474)	(1,543,065)	9,508,567	–	9,508,567

(4) Condensed Quarterly Consolidated Statement of Cash Flows

(Thousands of yen)

	Nine months ended January 31, 2024	Nine months ended January 31, 2025
Cash flows from operating activities		
Profit (loss) before tax	(5,823,108)	(16,323,906)
Depreciation and amortization of intangible assets	529,307	683,139
Decrease (increase) in trade and other receivables	(179,826)	(1,811,193)
Increase (decrease) in trade and other payables	(1,044,209)	4,049,173
Increase (decrease) in provisions	(2,727,881)	1,553,816
Share-based payment expenses	12,773	238,564
Interest income	(48,727)	(33,361)
Interest expenses	362,231	499,791
Government subsidy income	(686,395)	(2,210,299)
Foreign exchange loss (gain)	(898,720)	213,235
Other	(1,525)	(5,433)
Subtotal	(10,506,081)	(13,146,472)
Interest received	48,727	32,171
Interest paid	(366,998)	(495,727)
Proceeds from government subsidy income	1,726,525	2,550,001
Income taxes refund (paid)	(1,302)	272,387
Net cash used in operating activities	(9,099,128)	(10,787,640)
Cash flows from investing activities		
Purchase of property, plant and equipment	(940,621)	(339,693)
Purchase of intangible assets	(46,370)	(111,358)
Payments of leasehold deposits	(12,954)	—
Net cash used in investing activities	(999,945)	(451,051)

Cash flows from financing activities		
Proceeds from issuance of shares	996,500	19,854,446
Proceeds from exercise of share acquisition rights	—	225,709
Net increase (decrease) in short-term loans payable	(461,000)	1,038,000
Proceeds from long-term loans payable	2,027,000	—
Repayments of long-term borrowings	—	(74,970)
Repayments of lease liabilities	(189,864)	(198,648)
Net cash provided by financing activities	2,372,635	20,844,536
Effect of exchange rate changes on cash and cash equivalents	296,198	(137,414)
Net increase (decrease) in cash and cash equivalents	(7,430,241)	9,468,429
Cash and cash equivalents at the beginning of period	22,678,990	14,196,227
Cash and cash equivalents at the end of period	15,248,749	23,664,657

(5) Notes to Condensed Quarterly 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)

	Nine months ended January 31, 2024	Nine months ended January 31, 2025
Project revenue (Note 1)	1,937,848	1,497,041
Other revenue (Note 2)	56,273	2,256
Total	1,994,122	1,499,298

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). Conclusion of a significant contract

Astroscale Japan Inc., our Japanese subsidiary, signed a significant contract with the Japan's Ministry of Defense for development of a responsive space system demonstration satellite prototype (¥6.6 billion) on February 25, 2025.

The objective of this project is to conduct in-orbit demonstrations of technologies required to improve space surveillance, such as space domain awareness, intelligence gathering, and space operations capabilities in geostationary orbit in the future. The project includes the development and testing of a proto-flight model for a small geostationary demonstration satellite.

Revenue from this project is expected to be recognized over the contract period (up to the end of March 2028).

(2). Commitment line agreement

The Company, at its Board of Directors meeting held on March 14, 2025, resolved to enter into a commitment line agreement to secure working capital.

The overview of agreement

(1) Counterparty to the agreement	Resona Bank, Limited
(2) Credit line	¥3,000,000 thousand
(3) Interest rate	Base interest rate + spread
(4) Contract date	March 31, 2025 (scheduled)
(5) Contract period	Up to March 31, 2028 (3 years)
(6) Contract type	Bilateral Commitment Line Agreement
(7) Collateral or guarantees	No collateral / No guarantee
(8) Financial covenants	1) Maintain the amount of equity stated in the consolidated balance sheet as of the end of each fiscal year at ¥0 or more. 2) Maintain the total balance of cash and cash equivalents and order backlog (excluding those for which payment has already been received) in the consolidated balance sheet as of the end of each fiscal year at ¥5 billion or more.

3. Supplementary Information

(1) Order Bookings and Order 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 nine months ended January 31, 2025, are as follows. (Note 1)

(Thousands of yen)

	Fiscal year ended April 30, 2024	Nine months ended January 31, 2025	
	Order backlog	Order bookings	Order backlog
On-orbit servicing business	5,411,832	22,242,787	23,845,485
Total	5,411,832	22,242,787	23,845,485

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. ISSA-J1 (formerly SBIR) Phases 3 meets this definition and the amount is expected to be ¥3,808 million (as of the end of the nine months ended January 31, 2025). In addition, on January 22, 2025, Astroscale Japan Inc. has been selected as a contractor for the research and development (R&D) concept for "Refueling Technology Contributing to Satellite Life Extension" under Key and Advanced Technology R&D through Cross Community Collaboration Program (K Program). Its expected contract amount is up to ¥12 billion (including indirect costs and consumption tax). There can be no assurance that we will be able to enter into binding contracts, and the actual contract amounts based on the final agreements may differ from the expected contract amounts, even if we are awarded for such phases at all, since the contracts for the follow-on phases and the awarded projects have not yet been signed.
3. On February 25, 2025, Astroscale Japan Inc. entered into a contract for R6 in the contract amount of ¥6,609 million. For reference, a simple sum of the order backlog at the end of the nine months ended January 31, 2025, the expected order backlog and the expected contract amount at the end of the nine months ended January 31, 2025 in Note 2, and the contract amount in Note 3 is ¥45,172,323 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 2.
4. In the nine months ended January 31, 2025, 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 following order bookings.
   - Award of ELSA-M Phase 4 contract (€13.95 million) from Eutelsat OneWeb.
   - Award of CRD2 Phase II contract (¥12,000 million) from JAXA.
   - Receipt of notification of grant decision for ISSA-J1 Phase 2 (maximum grant amount: ¥6,313 million).
   - Award of ISSA mission from BAE Systems plc (£5.15 million)