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April 22, 2025

Company Name: Astroscale Holdings Inc.
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Representative Director, President and CEO
(Securities Code: 186A; Tokyo Stock Exchange Growth Market)
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Notice Regarding Revision to Consolidated Financial Forecast for the Fiscal Year Ending April 2025

Astroscale Holdings Inc. ("Company" or "we") hereby announces that, in light of current operating trends, the meeting of the Board of Directors held late in the evening of April 21, 2025 resolved to revise the consolidated financial forecast for the fiscal year ending April 30, 2025 which was disclosed together with the announcement of the consolidated financial results for the second quarter of the fiscal year ending April 30, 2025 on December 13, 2024, as described below.

1. Revision to Consolidated Financial Forecast for the Fiscal Year ending April 2025 (from May 1, 2024 to April 30, 2025)

	Project Income*	Revenue	Operating profit	Profit before tax	Profit	Profit attributable to owners of parent	Basic earnings per share
	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Yen
Previous forecast (A)	12,000	8,000	(17,000)	(18,500)	(18,500)	(18,500)	(162.31)
Revised forecast (B)	5,500	2,300	(19,500)	(22,500)	(22,500)	(22,500)	(197.22)
Change (B-A)	(6,500)	(5,700)	(2,500)	(4,000)	(4,000)	(4,000)	
Change (%)	(54.2)	(71.3)	-	-	-	-	
(Reference) Results for the previous fiscal year ended April 2024 (C)	4,667	2,852	(11,555)	(9,219)	(9,181)	(9,181)	(101.45)
Change (B-C)	832	(552)	(7,944)	(13,280)	(13,318)	(13,318)	
Change (%)	17.8	(19.4)	-	-	-	-	

2. Background of the Revision to Consolidated Financial Forecast

Regarding our consolidated financial forecast for the fiscal year ending April 2025, we are revising our project income forecast from ¥12.0 billion to ¥5.5 billion because we expect revenue and government subsidy income from new projects (LEXI-P and K Program) to decrease by approximately ¥6.0 billion due to the continuing delay in previously expected contract signing, and government subsidy income to decrease by approximately ¥0.5 billion due to the delay in revenue recognition on existing projects (ISSA-J1 and APS-R). In addition, the profit items have been revised downward due to the delay in the conclusion of the LEXI-P contract mentioned above. The gross loss is revised downward from the previous forecast of break-even to ¥4.5 billion. However, the increase in operating loss was partially mitigated by our proactive control of pre-contract development costs associated with LEXI-P, continued tight control of selling, general and administrative expenses, and a decrease in the loss incurred in the current fiscal year due to a delay in recognizing expenses and income from a partially-funded subsidy project (APS-R). Profit items under

profit before tax reflect, in addition to the above, a foreign exchange loss (approximately ¥2.3 billion) expected to be incurred mainly due to the estimated revaluation of foreign currency cash and cash equivalents held by the Company and foreign currency loans receivable from our subsidiaries at the assumed exchange rate prevailing at the end of the period.

With regard to new contracts for LEX services, the customer with whom we have been continuing negotiations has been affected by the political situation of the government involved, and is expected to require more time before it is able to re-engage toward reaching a final agreement on the contract. However, interest from other commercial customers is emerging, and there may be flexibility to use our first LEXI servicer (LEXI-P) for another customer project. We would generally not expect a change of customer to require any major changes in the design of the LEXI servicer to service (i.e. dock and undock with) a different customer satellite assuming similar project specifications. We will continue to actively negotiate with the customers to conclude a contract, although we currently cannot determine the timing of the contract for the first LEXI (LEXI-P) servicer.

The delay in revenue recognition for both existing projects (ISSA-J1 and APS-R) is temporary and is expected to be largely recovered in the fiscal year ending April 2026.

Please refer to the appendix for explanatory materials regarding this forecast revision.

(*) 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.

(Notes on forward-looking statements)

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 as of the date hereof. Such forward-looking statements are inherently subject to risks and uncertainties, and actual results may differ materially due to various factors.

Fiscal Year Ending April 30, 2025

Revision of FY2025 Earnings Forecast



Astroscale Holdings Inc.
(Ticker: 186A)

April 22, 2025

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Any statements made in this presentation that are not statements of historical fact, including statements about the Company's beliefs and expectations, are forward-looking statements and should be evaluated as such. Forward-looking statements include information concerning possible or assumed future results of operations, including descriptions of the Company's plans and strategies. The Company bases these forward-looking statements on its current expectations, plans and assumptions that the Company has made in light of its experience in the industry, as well as its perceptions of historical trends, current conditions, expected future developments and other factors the Company believes are appropriate under the circumstances at such time. As you read and consider this presentation, you should understand that these statements are not guarantees of future performance or results. The forward-looking statements are subject to and involve risks, uncertainties and assumptions, and you should not place undue reliance on these forward-looking statements. You should be aware that many factors could affect the Company's actual results or results of operations and could cause actual results to differ materially from those expressed in the forward-looking statements. The Company undertakes no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. All written and oral forward-looking statements made in connection with this presentation attributable to the Company or persons acting on the Company's behalf are expressly qualified in their entirety by the above paragraph.

This presentation includes market data and industry information based on independent industry surveys and publications and other publicly available information prepared by third-party sources. All of the market data and industry information used in this presentation involve a number of assumptions and limitations, and you are cautioned not to give undue weight to such estimates. The Company cannot guarantee the accuracy or completeness of this third-party information, and the Company has not independently verified this information. In addition, certain estimated market information included in this presentation, which is derived in part from management's estimates and beliefs, is inherently uncertain and imprecise. No representations or warranties are made by the Company, any of its affiliates or advisors as to the accuracy of any such statements or projections. Projections, assumptions and estimates of the Company's future performance and the future performance of the industry in which the Company operates are necessarily subject to a high degree of uncertainty and risk due to a variety of factors. These and other factors could cause results to differ materially from those expressed in the Company's estimates and beliefs and in the estimates prepared by independent parties.

This presentation contains non-IFRS financial measures, including Project income. These non-IFRS financial measures should not be considered in isolation or as a substitute for the most directly comparable financial measures presented in accordance with IFRS or accounting principles generally accepted in other jurisdictions. The Company's use, definition, and calculation of its non-IFRS measures may differ significantly from, and therefore may not be directly comparable to, similarly-titled measures of other companies.

Historical financial information appearing in this presentation has been derived from our financial statements or accounting records and has not been audited or reviewed by our independent auditors. Our financial statements are stated in Japanese yen and prepared in accordance with International Financial Reporting Standards.

Executive Summary

1. **FY2025 full-year earnings forecast:** Revised down to the following.

	Revised Forecast	Previous Forecast
Project income	**¥5.5 billion**	¥12.0 billion
Gross loss	**¥4.5 billion**	¥0.0 billion
Operating loss	**¥19.5 billion**	¥17.0 billion
Net loss	**¥22.5 billion**	¥18.5 billion

- The primary factors behind the downward revision of project revenue and operating profit/loss are delays in new contract signing and revenue recognition for existing projects.
- In addition to the above, downward revision of net loss includes effect of anticipated foreign exchange losses.

2. **LEX business outlook:** No changes other than delays in contract signing; visible progress in private sector demand.

3. **Delay on existing project revenue recognition:** Temporary delays expected to be largely recovered in FY2026.

Revised FY2025 Full-year Earnings Forecast

We are revising down our FY2025 full-year earnings forecasts as shown below. This was driven by delay in new contract signing and revenue recognition for existing projects.

FY2025 Full-year Earnings Forecast

(¥ million)	FY2025 Forecast (Revised)	FY2025 Forecast (Previous)	FY2024 Actual	YoY Change (vs Revised)
Project income	**5,500**	12,000	4,667	+17.8%
Revenue (IFRS)	**2,300**	8,000	2,852	(19.4)%
Gov't subsidy income	**3,200**	4,000	1,814	+76.4%
Gross profit	**(4,500)**	0	(2,245)	(2,254)
Gross margin (%)	**(195.7)%**	0.0%	(78.7)%	-
Operating profit	**(19,500)**	(17,000)	(11,555)	(7,944)
Profit (loss) before tax	**(22,500)**	(18,500)	(9,219)	(13,280)
Profit (loss)	**(22,500)**	(18,500)	(9,181)	(13,318)

Factors of change compared to previous forecast

- Project income:
  - Impacted by delay in contract timing for new large-scale projects (LEXI-P and K Program).
  - Timing delays in cost and income recognition for existing projects (ISSA-J1 and APS-R) due to customer and supplier-related reasons.
- Gross Profit:
  - Impacted by the delay of LEXI-P contract.
- Operating Profit:
  - Controlled pre-contract development costs on LEXI-P considering delayed contract.
  - Maintained strict control of SG&A expenses.
  - Reduced losses in this FY due to delay of partially-funded grant missions.
- Profit (loss):
  - Anticipate foreign exchange losses (Approx. ¥2,300 million). Assumes $1=¥142.

Notes:
This forecast constitutes forward-looking statements that reflect the company's views at the time such statements were made with respect to future events and are not a guarantee of future performance or developments. The forecast is inherently subject to significant risks and uncertainties.
Project Income: Non-IFRS measure. Project income 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: Key Drivers of Revision and Outlook

This revision is mainly driven by underperformance of project income recognition from temporary timing delays. We believe the outlook for the LEX service business remains unchanged and expect to largely recover delayed income recognition on existing contracts in FY2026.

Delay in New Contracts	
Relevant Projects	LEXI-P K Program
Impact to FY2025 Income	Approx. ¥6 billion

Income Recognition Delay on Existing Contracts	
Relevant Projects	ISSA-J1 APS-R
Impact to FY2025 Income	Approx. ¥0.5 billion

Future Outlook

- **LEXI-P**
  - Continuing negotiation with a highly-interested customer who extended existing termsheet. However, a definitive agreement may require more time due to transitional situations of the governments involved.
  - Noting growing interest in LEX services from additional commercial customers. To maximize business opportunities, may considering flexibility in customer allocation for our LEXI-P servicer which generally has the technical capability to switch (dock and un-dock) between customers without major changes in design.
- **K Program**
  - Project awarded in January. Expect contract signing during 1H FY2026.

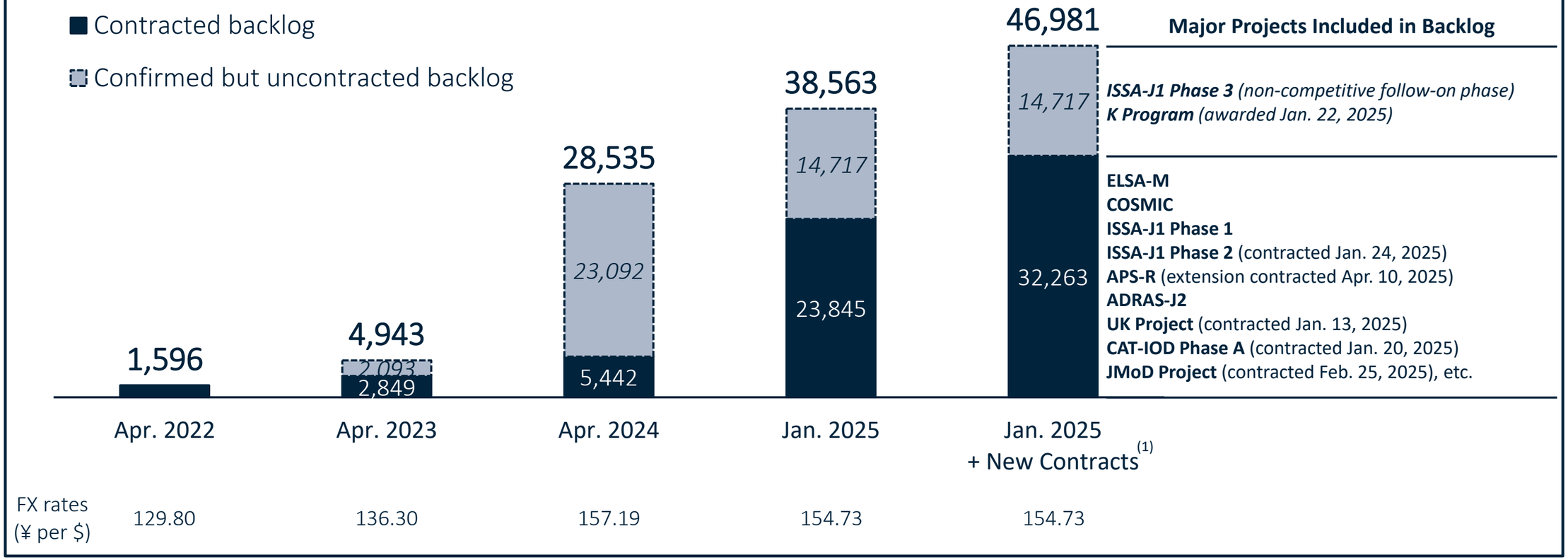
Future Outlook

- **ISSA-J1**
  - No significant delay to mission schedule. Underperformance caused by temporary income delay due to factors such as shifting of funding timing from customer. Expect delays to be largely recovered in FY2026.
- **APS-R**
  - No significant delay to mission schedule. Underperformance caused by temporary delay of suppliers causing lower cost and income recognition. Expect delays to be largely recovered in FY2026.

Backlog: Driver of future revenue is growing rapidly

Excluding LEXI-P, all projects anticipated at the IPO have been secured. Additionally, multiple defense projects not expected at that time were also won. We continue to grow the amount of profitable backlog which is the fundamental driver of our business and profit.

Backlog (¥mm)



Major Projects Included in Backlog

ISSA-J1 Phase 3 *(non-competitive follow-on phase)*
K Program *(awarded Jan. 22, 2025)*

ELSA-M
COSMIC
ISSA-J1 Phase 1
ISSA-J1 Phase 2 (contracted Jan. 24, 2025)
APS-R (extension contracted Apr. 10, 2025)
ADRAS-J2
UK Project (contracted Jan. 13, 2025)
CAT-IOD Phase A (contracted Jan. 20, 2025)
JMoD Project (contracted Feb. 25, 2025), etc.

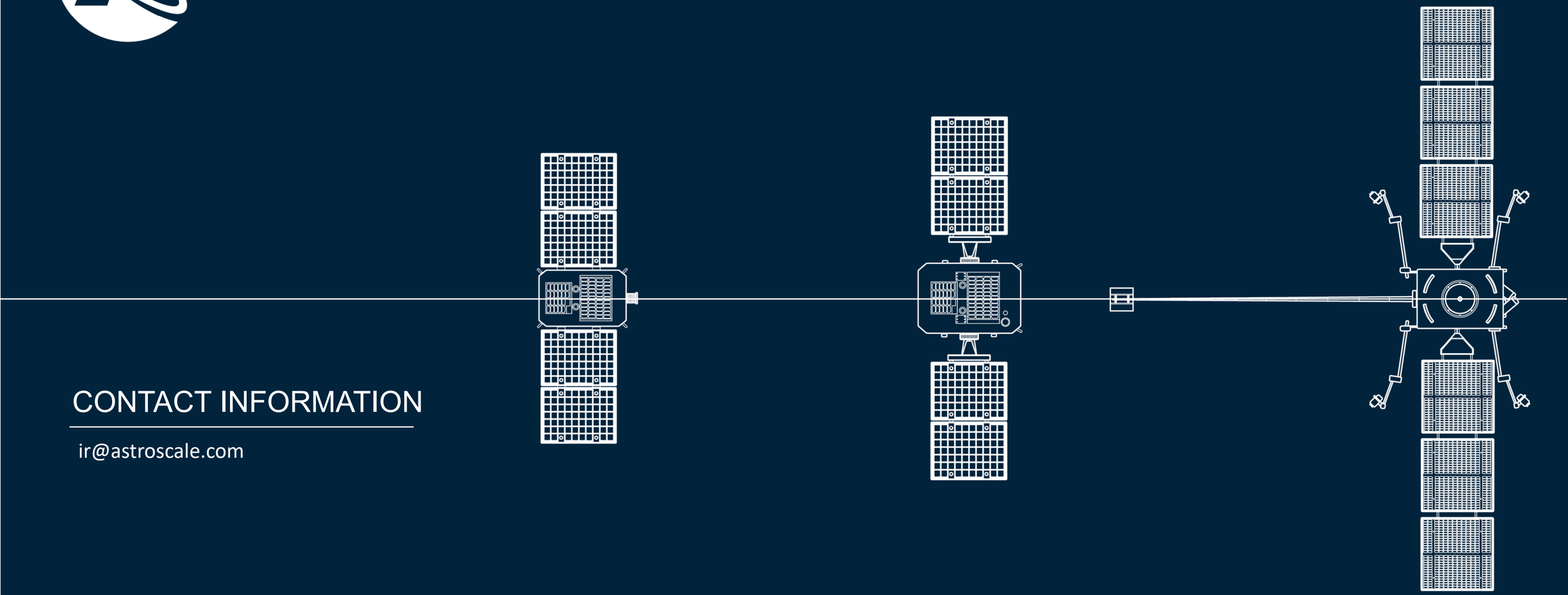
Fully-funded Ratio(2)

0% ▶ **11%** ▶ **81%** ▶ **89%** ▶ **87%**

Enhancing profitability by increasing fully-funded missions

(1) "Jan. 2025 + New Contracts" represents January 2025 backlog plus amounts for projects contracted or awarded after January 2025, converted at the FX rate as of January 2025 end. The Jan. 2025 backlog included in "Jan. 2025 + New Contracts" does not account for reduction due to conversion of backlog into project income after January 2025. The maximum amount of K Program is ¥12 bn (including tax) and is calculated on the assumption that 10% consumption tax is included in the amount.

(2) A "fully funded" project is defined as a project that we expect the contract amount will cover the full amount of the then-anticipated mission expenses which has been proposed by us. Ratio is calculated based on all backlog (both contracted and confirmed but uncontracted backlog).



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