(Translation for Convenience)

Note: This document is an English translation of the original Japanese language document and has been prepared solely for reference purposes. No warranties or assurances are given regarding the accuracy or completeness of this English translation. In the event of any discrepancy between this English translation and the original Japanese language document, the original Japanese language document shall prevail in all respects.

Provision in electronic format starts on July 8, 2026

The 8th Annual General Meeting of Shareholders

Other Matters Subject to Electronic Provision Measures

(Matters Omitted from the Document)

Table of Contents

Matters Pertaining to Share Acquisition Rights, etc. of the Company
Notes to Consolidated Financial Statements
Notes to Non-consolidated Financial Statements

Astroscale Holdings Inc.

(Translation for Convenience)

Matters Pertaining to Share Acquisition Rights, etc. of the Company

(1) Share Acquisition Rights, etc. granted as compensation for the execution of duties held by the Company's Directors and Corporate Auditors as of the end of the current fiscal year

Name	Series 3 Share Acquisition Rights	Series 7 Share Acquisition Rights
Date of resolution to issue	January 24, 2019	December 9, 2021
Holdings of the Directors		
Number of share acquisition rights	26,109	2,200
Number of people held		
Directors (except Outside Directors)	1	1 (*1)
Outside Directors	－	－
Class and number of shares to be issued upon exercise of share acquisition rights (*3)	2,610,900 common shares (100 shares per share acquisition right)	220,000 common shares (100 shares per share acquisition right)
Amount to be paid in for share acquisition rights	No payment is required in exchange for share acquisition rights.	No payment is required in exchange for share acquisition rights.
Amount of assets to be provided for the exercise of share acquisition rights (*3)	29,100 yen per unit (291 yen per share)	86,200 yen per unit (862 yen per share)
Exercise period of share acquisition rights	From February 1, 2019 To July 31, 2026 (*4)	From December 17, 2023 To December 9, 2028
Major conditions for exercising	(*5)	(*5)

Name	Series 7 (2nd) Share Acquisition Rights	Series 7 (3rd) Share Acquisition Rights
Date of resolution to issue	January 4, 2022	January 17, 2022
Holdings of the Directors		
Number of share acquisition rights	200	200
Number of people held		
Directors (except Outside Directors)	1 (*1)	－
Outside Directors	－	2 (*2)
Class and number of shares to be issued upon exercise of share acquisition rights (*3)	20,000 common shares (100 shares per share acquisition right)	20,000 common shares (100 shares per share acquisition right)
Amount to be paid in for share acquisition rights	No payment is required in exchange for share acquisition rights.	No payment is required in exchange for share acquisition rights.
Amount of assets to be provided for the exercise of share acquisition rights (*3)	86,200 yen per unit (862 yen per share)	86,200 yen per unit (862 yen per share)
Exercise period of share acquisition rights	From January 6, 2024 To December 9, 2028	From January 25, 2024 To December 9, 2028
Major conditions for exercising	(*5)	(*5)

(Translation for Convenience)

Name	Series 9 Share Acquisition Rights
Date of resolution to issue	January 16, 2024
Holdings of the Directors Number of share acquisition rights Number of people held Directors (except Outside Directors) Outside Directors Class and number of shares to be issued upon exercise of share acquisition rights (*3)	 100 － 1 10,000 common shares (100 shares per share acquisition right)
Amount to be paid in for share acquisition rights	No payment is required in exchange for share acquisition rights.
Amount of assets to be provided for the exercise of share acquisition rights (*3)	100,000 yen per unit (1,000 yen per share)
Exercise period of share acquisition rights	From January 24, 2026 To January 5, 2031
Major conditions for exercising	(*5)

(*1) The Series 7 Share Acquisition Rights and the Series 7 (2nd) Share Acquisition Rights held by one Director of the Company were granted prior to their appointment as Director.

(*2) The Series 7 (3rd) Share Acquisition Rights held by two Outside Directors of the Company were granted prior to their appointment as Outside Directors.

(*3) By resolution of the Board of Directors meeting held on February 14, 2022, the Company conducted a 100-for-1 stock split of shares of common share on March 4, 2022. As a result, "Class and number of shares to be issued upon exercise of share acquisition rights" and "Amount of assets to be provided for the exercise of share acquisition rights (per share)" have been adjusted.

(*4) By resolution of the Board of Directors meeting held on October 14, 2022, and the Extraordinary General Meeting of Shareholders held on October 31, 2022, the Company approved the extension of the exercise period of the Share Acquisition Rights.

(*5) The conditions for exercising share acquisition rights are as follows:

1. The exercise of the share acquisition rights shall be subject to the condition that none of the events of acquisition set forth in (a) or (b) below has occurred to the holder of the share acquisition rights (hereinafter referred to as the "Share Acquisition Rights Holder"). However, this shall not apply in cases where the Board of Directors of the Company specifically approves the exercise of such rights.
   (a) In the event that (i) merger agreement for a merger in which the Company is the dissolving company, (ii) absorption-type demerger agreement or incorporation-type demerger plan for an absorption-type demerger in which the Company will be the demerged company (however, this is limited to cases where all or substantially all of the assets of the Company are to be succeeded to.), (iii) share exchange agreement for a share exchange in which the Company becomes a wholly owned subsidiary, (iv) a share transfer plan whereby the Company becomes a wholly owned subsidiary of another company, (v) an amendment to the Articles of Incorporation to provide that the Company may acquire all of the class of shares underlying the share acquisition rights by a resolution of the General Meeting of Shareholders of the Company, (vi) reverse stock split of shares of the class of shares underlying the share acquisition rights (In cases where the Company has stipulated in its Articles of Incorporation the number of shares constituting one unit of shares of the relevant class of shares, the number shall be limited to the number obtained by multiplying the number of shares constituting one unit by the ratio of the consolidation of shares, resulting in a fraction less than one.) or (vii) a demand for sale of shares by a special controlling shareholder are approved at a general meeting of shareholders of the Company (if approval by a general meeting of shareholders is not required, upon resolution by the Board of Directors of the Company), the Company may acquire the share acquisition rights without consideration on a date separately determined by the Board of Directors of the Company.
   (b) In the event that the share acquisition rights are no longer exercisable pursuant to the provisions of the agreement between the Company and the Share Acquisition Rights Holder, the Company may acquire the share acquisition rights held by such Share Acquisition Rights Holder without consideration on a date separately determined by the Board of Directors of the Company.
2. These share acquisition rights shall be exercised in units of one share acquisition right, and partial exercise of each share acquisition right shall not be permitted.
3. Other conditions shall be as set forth in the agreement to be entered into between the Company and the right holders pursuant to resolutions of the General Meeting of Shareholders and the Board of Directors.

(2) Share acquisition rights, etc. issued to the Company's employees, etc. as compensation for the execution of their duties during the fiscal year under review

Not applicable.

(3) Other important matters pertaining to share acquisition rights

Not applicable.

(Translation for Convenience)

Notes to Consolidated Financial Statements

【Key Matters Underlying the Preparation of the Consolidated Financial Statements】

1. Basis of Preparation

The consolidated financial statements of the Company and its subsidiaries (collectively, the "Group") have been prepared in accordance with International Financial Reporting Standards ("IFRS") pursuant to the provisions of Article 120, Paragraph 1 of the Regulation on Corporate Accounting. In addition, certain disclosures required under IFRS have been omitted in accordance with the latter part of the same paragraph.

2. Scope of Consolidation

Number of Consolidated Subsidiaries	6
Names of Principal Subsidiaries	Astroscale Japan Inc. Astroscale Singapore Pte. Ltd. Astroscale Ltd Astroscale U.S. Inc. Astroscale Israel Ltd. Astroscale France SAS

3. Accounting Policies

(1) Basis and Method of Valuation of Financial Assets

1) Financial assets other than derivatives

(a) Initial recognition and measurement

The Group initially recognizes contract assets at the time when it satisfies its performance obligations pursuant to IFRS 15 *Revenue from Contracts with Customers* and reclassifies them to trade receivables when it acquires unconditional rights to consideration. Other financial assets are initially recognized on the transaction date on which it becomes a party to a contract for such financial assets. At the time of initial recognition, the Group classifies financial assets into those measured at amortized cost or those measured at fair value.

(i) Financial assets measured at amortized cost

Financial assets that meet both of the following conditions are classified as those measured at amortized cost:

・The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and

・The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Other financial assets are classified as those measured at fair value.

(ii) Financial assets measured at fair value

- Debt financial assets

Debt financial assets that meet both of the following conditions are classified as those measured at fair value through other comprehensive income:

- Financial assets are held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and

- The contractual terms of financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Other debt financial assets are classified as those measured at fair value through profit or loss.

- Equity financial assets

  The Group designates at the time of initial recognition whether subsequent changes in the fair value of equity financial assets other than those held for trading are measured through profit or loss or through other comprehensive income, and applies such designation consistently after initial recognition. Equity financial assets held for trading are classified into financial assets measured at fair value through profit or loss.

(b) Subsequent measurement

After initial recognition, financial assets are measured according to their classification as follows:

(i) Financial assets measured at amortized cost

Financial assets measured at amortized cost are measured at amortized cost using the effective interest method.

(ii) Financial assets measured at fair value through other comprehensive income

- Debt financial assets measured at fair value through other comprehensive income

  Changes in the fair value of debt financial assets measured at fair value through other comprehensive income are recognized in other comprehensive income until such debt financial assets are derecognized except for impairment gains or losses, interest calculated using the effective interest method, and foreign exchange gains and losses. If such financial assets are derecognized, other comprehensive income recognized in the past are reclassified to profit or loss.

- Equity financial assets measured at fair value through other comprehensive income

  Changes in the fair value of equity financial assets measured through other comprehensive income are recognized in other comprehensive income. If such financial assets are derecognized or the fair value significantly declines, other comprehensive income recognized in the past are directly reclassified to retained earnings.

(iii) Financial assets measured at fair value through profit or loss

Financial assets measured at fair value through profit or loss are measured at fair value after initial recognition and changes in the fair value are recognized in profit or loss.

(c) Impairment of financial assets

With respect to impairment of financial assets measured at amortized cost, the Group recognizes an allowance for doubtful accounts for expected credit losses on such financial assets. At each closing date, the Group also assesses whether the credit risks on a financial instrument have increased significantly since initial recognition.

The Group determines whether credit risks have increased significantly based on changes in the risk that a counterparty to a financial asset will default on its obligations after initial recognition. In determining whether there has been a change in the risk of default, the Group considers not only information that is past due but also information that is reasonably available and supportable, such as those concerning financial difficulties caused by deterioration in the performance of counterparties.

If the credit risk on a financial instrument has not increased significantly since initial recognition, the allowance for doubtful accounts for that financial instrument is measured at an amount equal to the 12-month expected credit loss. If the credit risk on a financial instrument has increased significantly since initial

recognition, the allowance for doubtful accounts for that financial instrument is measured at an amount equal to the lifetime expected credit loss.

However, for trade receivables and contract assets that do not contain a significant financing component, the allowance for doubtful accounts is always measured at an amount equal to the lifetime expected credit losses. The expected credit loss of financial instruments is estimated in a way that reflects the following:

An unbiased and probability-weighted amount determined by evaluating a range of possible outcomes;

The time value of money; and

Reasonable and supportable information that is available without undue cost or effort at the closing date about past events, current conditions and forecasts of future economic conditions.

The Group determines whether a financial asset is credit-impaired based on factors such as the debtor's default or past due payments, extension of time for collection of receivables made by the Group to the debtor under terms that the Group would not have made otherwise, and indications that the debtor or issuing entity is going bankrupt. If it is not reasonably expected that all or part of the contractual cash flows of financial assets will be collected, including cases when a claim is legally extinguished, such financial assets are written off.

(d) Derecognition

The Group derecognizes financial assets in the following cases:

- The contractual rights to receive cash flows from the financial assets expire; or
- The Group transfers the contractual rights to receive cash flows from the financial assets, or has obligation to deliver all the cash flows received to a third party without significant delay in accordance with a "pass-through agreement" and satisfies either of the following:

(a) The Group transfers substantially all the risks and economic value of such financial assets; or

(b) The Group does not transfer or hold substantially all the risks and economic value of such financial assets, but transfers control over such financial assets.

2) Derivatives and hedge accounting

The Group conducts derivative transactions only for the purpose of hedging risks such as foreign currency risk and does not intend to conduct speculative derivative transactions.

Derivatives are initially recognized at fair value as of the date the contract is entered into, and related transaction costs are recognized in profit or loss as incurred. After initial recognition, derivatives are remeasured at fair value and changes in the fair value are recognized in profit or loss. The Group has no derivative transactions to which hedge accounting applies.

spot exchange rate prevailing at the balance sheet date, and resulting gains or losses are credited or charged to income.

(2) Basis and Method of Valuation of Property, Plant and Equipment and Intangible Assets, and Methods of Depreciation or Amortization

1) Property, plant and equipment (excluding right-of-use assets)

The cost of an item of property, plant and equipment includes any costs directly associated with its acquisition, the costs of dismantling, removing and restoring the item, and the borrowing costs that meet requirements for capitalization. Property, plant and equipment are measured using the cost model and presented at cost less any accumulated depreciation and any accumulated impairment loss.

The cost of each item of property, plant and equipment other than land and construction in progress less residual value of the item is depreciated using the straight-line method over its estimated useful life.

Estimated useful lives, residual values and depreciation methods are reviewed at the end of each fiscal year. Any change in the estimates is applied for the period subject to the change and for a future period as a change in accounting estimates.

The estimated useful lives of major assets are as follows:

Buildings and structures	4–20 years
Machinery and equipment, tools, furniture and fixtures	2–15 years

2) Goodwill

Goodwill is initially measured at cost being the excess of the aggregate of the fair values of the consideration transferred, the amount of the non-controlling interest in the acquiree, and the previous interest held in the acquiree as of the date of acquisition of control, over the net identifiable assets acquired and liabilities assumed as of the date of acquisition. If the aggregate of the fair values of the consideration transferred, the amount of the non-controlling interest in the acquiree, and the previous interest held in the acquiree is less than the net identifiable assets acquired and liabilities assumed, the gain is recognized in profit or loss. Acquisition-related costs incurred are recognized in profit or loss. After initial recognition, goodwill is stated at cost less accumulated impairment loss without being amortized.

The Group allocates goodwill to cash-generating units or cash-generating unit groups that are expected to benefit from the synergies of a business combination, and conducts an impairment test on the cash-generating units or cash-generating unit groups to which goodwill has been allocated annually and each time when there is an indication of impairment.

Any impairment loss of goodwill is recognized in profit or loss. However, impairment loss relating to goodwill cannot be reversed subsequently.

3) Intangible assets (excluding right-of-use assets)

Intangible assets are measured using the cost model and presented at cost less any accumulated amortization and any accumulated impairment loss.

(a) Separately acquired intangible assets

Separately acquired intangible assets are measured at cost upon initial recognition.

(b) Intangible assets acquired in business combination

Intangible assets acquired in a business combination are measured at cost that is the fair value at the acquisition date. These intangible assets include technology-related assets and customer-related assets.

• Technology-related assets

The Group recognizes intangible assets that reflect future economic benefits that are expected from the already developed technologies at the time of a business combination of an acquiree as technology-related assets.

• Customer-related assets

The Group recognizes intangible assets that reflect future economic benefits that are expected from the existing customers at the time of a business combination of an acquiree as customer-related assets.

(c) Internally generated intangible assets and research and development expenses

Research refers to original and planned investigation undertaken with the prospect of gaining new scientific or technical knowledge and understanding. Development refers to the application of research findings or other knowledge to a plan or design for the production of new or substantially improved materials, devices, products, processes, systems or services before the start of commercial production or use. The Group recognizes expenditures arising from research in profit or loss as incurred. The Group recognizes expenditures arising from development as assets only if all of the following items can be proved:

- The technical feasibility of completing the intangible asset so that it will be available for use or sale;
- The Group's intention to complete the intangible asset and use or sell it;
- The Group's ability to use or sell the intangible asset;
- The method in which the intangible asset will generate probable future economic benefits;
- The availability of adequate technical, financial and other resources necessary to complete the development and to use or sell the intangible asset; and
- The Group's ability to measure reliably the expenditure attributable to the intangible asset during its development.

Other expenditures arising from development are recognized in profit or loss as incurred.

The Group amortizes intangible assets with finite useful lives using the straight-line method over their respective estimated useful lives and conducts an impairment test whenever there is an indication of impairment. Estimated useful lives and amortization methods of intangible assets with finite useful lives are reviewed at the end of each fiscal year. Any change in the estimates is applied for the period subject to the change and for a future period as a change in accounting estimates.

The estimated useful lives of major intangible assets are as follows:

Software	3–5 years
Technology-related assets	13-16 years

4) Leases

The Group assesses whether a contract is or contains a lease, at the inception of the contract. The Group determines that a contract is or contains a lease if the Group has both the right to obtain substantially all the economic benefits from use of an identified asset throughout the period of use and the right to direct the use of the identified asset throughout the period of use.

The Group determines the lease term as the non-cancellable period of a lease together with a period covered by an option to extend or terminate the lease. The period covered by an option is added to the non-cancellable period only if the Group is reasonably certain to exercise the option to extend the lease or not to exercise the

option to terminate the lease.

The Group recognizes a right-of-use asset and a lease liability pertaining to a lease contract at the commencement date of the lease. The cost of the right-of-use asset is calculated by adding any lease payments made at or before the commencement date of the lease to the amount of the initial measurement of the lease liability, less any lease incentives received and plus any initial direct costs incurred and an estimate of costs to be incurred in dismantling and removing the lease asset, restoring the site on which it is located or restoring the lease asset to the condition required by the terms and conditions of the lease. The lease liability is measured at the present value of the lease payments that are not paid at the commencement date of the lease. The present value is usually measured by using the Group's incremental borrowing rate.

The Group depreciates the right-of-use asset on a systematic basis over the shorter of the useful life of the asset or the lease term from the commencement date of the lease.

If the lease term is changed due to renewal of the lease contract or other reasons, the Group remeasures the lease liability based on the changed lease term and recognizes the amount of the remeasurement of the lease liability as an adjustment to the right-of-use asset.

For short-term leases with a lease term of 12 months or less and leases for which the underlying asset is of low value, the Group has decided not to recognize the right-of-use asset or lease liability associated with those leases, but recognizes the lease payments for those leases as expenses using the straight-line method over the lease term.

5) Impairment of non-financial assets

The Group determines whether there is an indication of an impairment of non-financial assets (excluding inventories and deferred tax assets) on each closing date, and conducts an impairment test if there is an indication of impairment. However, goodwill is tested for impairment annually and whenever there is an indication of impairment.

In the impairment test, the Group estimates the recoverable amount and compares the carrying amount and the recoverable amount. The recoverable amount of an asset, a cash-generating unit or a cash-generating unit group is the higher of value in use or fair value less costs of disposal.

If the recoverable amount of an asset, a cash-generating unit or a cash-generating unit group is less than its carrying amount as a result of the impairment test, the Group recognizes an impairment loss. An impairment loss recognized for a cash-generating unit, including goodwill, is first allocated to reduce the carrying amount of goodwill allocated to the unit, and subsequently allocated to reduce the carrying amount of other assets in the unit on a pro-rata basis.

At the closing date, assets other than goodwill are assessed for indications that the impairment loss previously recognized is reduced or no longer exists. An impairment loss is reversed if there is such indication and the estimated recoverable amount exceeds the carrying amount as a result of estimating recoverable amount. The maximum reversal amount is limited to the carrying amount had depreciation or amortization continued until such reversal. Impairment losses on goodwill, however, are not reversed.

(3) Basis for Recording Provisions

The Group recognizes provisions when the Group has a legal obligation or constructive obligation as a result of past events, it is probable that outflows of economic resources will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made.

When the time value of money of a provision is significant, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects the time value of money and risks specific to the liability. Unwinding of the discount due to the passage of time is recognized as finance costs.

1) Provision for loss on contract

Of the projects for which the Group has accepted orders, for those which it is probable that the estimated total cost will exceed the estimated total revenue, the estimated amount of loss is recorded.

2) Asset retirement obligations

The amount deemed necessary to meet the obligation to restore an office the Group uses to its original condition under a real estate lease contract is recorded as asset retirement obligations.

(4) Revenue Recognition

The Group recognizes revenue based on the following five step approach:

Step 1: Identify the contract(s) with a customer;

Step 2: Identify the performance obligations in the contract;

Step 3: Determine the transaction price;

Step 4: Allocate the transaction price to the separate performance obligations; and

Step 5: Recognize revenue when or as the Group satisfies a performance obligation.

The Group undertakes research and development in technologies regarding on-orbit services such as debris removal and the demonstration in outer space, and identifies performance obligations as the provision of agreed-upon deliverables of the research and development or the demonstration. For projects related to the on-orbit services provided by the Group, the Group determines at the contract inception if the performance obligation is to be satisfied over a certain period of time. If it is not satisfied over time, the Group categorizes it as a performance obligation to be satisfied at a certain point in time.

For performance obligations to be satisfied over a certain period of time, revenue is recognized based on the progress toward complete satisfaction of the performance obligation if it can be reasonably measured. Since the costs are incurred as the Group carries out its work and the project progresses accordingly, in principle, progress is measured by the ratio of the cost incurred by the end of the fiscal year to the estimated total cost of the project. If the progress cannot be reasonably measured, the Group recognizes revenue in an amount equal to the portion of costs incurred that is deemed probable of recovery until it can reasonably measure the outcome of the performance obligation.

The Group records its right to consideration in exchange for goods or services that the Group has transferred to a customer as a contract asset when that right is conditioned on something other than the passage of time. The Group records its obligation to transfer goods or services to a customer for which the Group has received consideration from the customer or the consideration has become due and payable from the customer before transferring such goods or services as a contract liability.

If a transaction substantively contains a significant financing component such as a long-term advance payment

and a deferred payment (a significant benefit of financing is provided), revenue is measured at present value using the effective interest rate. However, the Group does not adjust the amount of consideration for the effects of a significant financing component if the Group expects, at contract inception, that the period between the Group's transfer of goods or services to a customer and the customer's payment for that goods or services will be one year or less.

(5) Government subsidy income

Government subsidy income is recognized at fair value when there is a reasonable assurance that the Group will comply with the terms and conditions attached to the grants and the Group will be entitled to the subsidies. Subsidies for expenses incurred are recognized as income in the same period as the incurring of such expenses. Subsidies for acquisition of an asset are initially recorded as deferred income on the consolidated statements of financial position and recognized in profit or loss on a systematic basis over the estimated useful life of the relevant asset.

(6) Foreign currency translation

1) Foreign currency transactions

Foreign currency transactions are translated into the relevant functional currencies using the spot exchange rate prevailing on the transaction date. At the closing date, foreign currency-denominated monetary assets and liabilities are retranslated into functional currencies at the prevailing exchange rate at the closing date. Foreign currency-denominated non-monetary assets and liabilities measured at cost are translated into the functional currency using the prevailing exchange rate on the transaction date, and those measured at the fair value are translated using the prevailing exchange rate as of the fair value measurement date.

Exchange differences arising from translations or settlements are recognized in profit or loss for the period in which they incurred.

2) Foreign operations

Assets and liabilities of foreign operations are translated into Japanese yen using the exchange rate at the closing date, while income, expenses and cash flows of the foreign operations are translated into Japanese yen using the average exchange rate for the period. Translation differences arising from such translation are recognized in other comprehensive income in the consolidated statements of comprehensive income. The cumulative translation differences are recorded as other components of equity in the consolidated statements of financial position. Upon disposal of a foreign operation, the gains or losses accumulated in other comprehensive income related to the foreign operation are reclassified to profit or loss.

(7) Income taxes

Current taxes and deferred taxes are presented as income tax expense in the consolidated statements of profit or loss, except for those related to a business combination and items recognized in other comprehensive income or directly in equity.

Current taxes and deferred taxes related to items recognized in other comprehensive income are recognized in other comprehensive income.

1) Current tax

Current taxes are measured at an expected amount of taxes to be paid to or of refund from the taxation authorities. The amount of taxes is calculated based on the tax rates and tax laws that have been enacted or substantively enacted by the closing date in jurisdictions where the Group conducts business activities and earns taxable profit.

2) Deferred tax

Deferred taxes are calculated based on temporary differences between the carrying amount of assets and liabilities for accounting purposes and their tax bases as of the closing date. Deferred tax assets are recognized for deductible temporary differences, unused tax credits and unused tax losses only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized. Deferred tax liabilities are recognized for all taxable temporary differences, in principle.

Deferred tax assets and liabilities are not recognized for the following temporary differences:

- Taxable temporary differences arising from initial recognition of goodwill;
- Temporary differences arising from initial recognition of assets and liabilities from transactions (excluding business combinations) that affect neither accounting profit nor taxable profit and do not give rise to equal amounts of future taxable and deductible temporary differences;
- Taxable temporary differences arising from investments in subsidiaries and associates, and interests in joint control when the Group is able to control the timing of the reversal of the temporary differences and it is not probable that the temporary differences will reverse in the foreseeable future; or
- Deductible temporary differences arising from investments in subsidiaries and associates, and interests in joint control when it is not probable that the temporary differences will reverse in the foreseeable future, or when it is not probable that future taxable profit will be available against which the temporary differences can be utilized.

Deferred tax assets and liabilities are measured at the tax rates (and by the tax laws) that are expected to be applied in the period when the assets are realized or the liabilities are settled, based on the statutory tax rates (and tax laws) that have been enacted or substantively enacted by the closing date.

The Group offsets deferred tax assets and deferred tax liabilities if the Group has a legally enforceable right to set off current tax assets and current tax liabilities and in any of the following cases:

- Income taxes are levied by the same taxation authority on the same taxable entity; or
- While income taxes are levied on different taxable entities, these taxable entities intend either to settle current tax assets and current tax liabilities on a net basis, or to realize the current tax assets and settle the current tax liabilities simultaneously.

The carrying amount of a deferred tax asset is reviewed at the closing date. The Group shall reduce the carrying amount of a deferred tax asset to the extent that it is no longer probable that sufficient taxable profit will be available to allow the benefit of part or all of that deferred tax asset to be utilized. Any such reduction is reversed to the extent that it becomes probable that sufficient taxable profit will be available.

【Notes on Significant Accounting Estimates】

In preparing the consolidated financial statements, the Group uses judgments, accounting estimates and assumptions that may affect the application of accounting policies and the reported amounts of assets, liabilities, revenue and expenses. These estimates and assumptions are based on best judgment by management considering various factors deemed reasonable as of the closing date after gathering experience and available information. By their nature, however, the figures based on these estimates and assumptions may vary from actual results.

The estimates and their underlying assumptions are reviewed on an ongoing basis. The effects of any changes in such estimates as a result of such review are recognized in the period in which the changes were made and future periods.

The following estimates and assumptions have a material effect on the amounts recognized in the consolidated financial statements.

(1) Impairment of non-financial assets

1) Amounts Recognized in the Consolidated Financial Statements

Property, plant and equipment	¥11,063,327 thousand
Intangible assets	¥1,822,633 thousand
Goodwill	¥496,475 thousand

2) Information Useful for Understanding the Content of Accounting Estimates

The Group conducts an impairment test for non-financial assets (excluding inventories and deferred tax assets) when there is an indication that the recoverable amount is below the carrying amount. However, goodwill is tested for impairment annually and whenever there is an indication of impairment.

The Group compares the carrying amount and the recoverable amount of assets for the impairment test. When the recoverable amount is below the carrying amount, the Group records impairment loss. The recoverable amount is calculated mainly using a discounted cash flow model. Management defines key assumptions for useful lives and future cash flows of the assets, net cash flow occurred at the end of useful lives of the assets, a discount rate, a long-term growth rate and other factors.

These assumptions are made based on best estimates and judgments made by management. However, they may be affected by the outcome of changes in uncertain future economic conditions. They may have a significant effect on amounts to be recorded in the consolidated financial statements for the next fiscal year and onward in cases when an impairment test is necessary.

(2) Provisions for loss on contract

1) Amounts Recognized in the Consolidated Financial Statements

Provisions for loss on contract (current)	¥796,273 thousand
Provisions for loss on contract (non-current)	¥1,685,983 thousand
Provisions for loss on contract (addition)	―

2) Information Useful for Understanding the Content of Accounting Estimates

For the projects for which the Group has entered into contracts, if it is probable that the estimated total cost will exceed the estimated total revenue and the amount can be reasonably estimated, the estimated amount of loss is recorded as provision for loss on contract, and net change in provision is recorded in cost of sales in the consolidated statements of profit or loss. Management makes the best estimates at the start of the project and calculates the estimated total cost and estimated total revenue for the project, with the estimate of total cost accompanied by certain assumptions based on specialized knowledge and experience of the project. However, if an initial estimate is revised due to a change in the contract amount or the occurrence of additional costs, depending on the project status, there may be a significant effect on amounts to be recorded in the consolidated financial statements for the next fiscal year and onward.

(3) Revenue recognition

1) Amounts Recognized in the Consolidated Financial Statements

As stated in “Notes on Revenue Recognition.”

2) Information Useful for Understanding the Content of Accounting Estimates

Most of the performance obligations related to revenue recognized by the Group are considered as performance obligations that will be satisfied over a certain period of time. For performance obligations to be satisfied over a certain period of time, the Group records revenue according to the progress based on a reliable estimation of the transaction results if the progress toward complete satisfaction of a performance obligation can be reasonably measured. If the progress cannot be reasonably measured, the Group recognizes revenue at an amount equal to the portion of costs incurred that is deemed probable of recovery until it can reasonably measure the progress. For major projects, we recognize revenue equivalent to the portion of cost of sales incurred that we deem to be highly probable of recovery.

The Group measures progress using input methods, such as those based on costs incurred. Accordingly, the Group determines the method of revenue recognition for performance obligations to be satisfied over a certain period of time based on its judgement as to whether the total inputs expected from the contract commencement date through to the completion of the performance obligation can be reasonably estimated. This judgement may have a material impact on the amounts of revenue recognized in the consolidated financial statements.

In the event of any changes to the estimates or the underlying assumptions for revenue recorded according to the progress, the amount of the effect is recognized in the fiscal year in which it became possible to estimate the impact reliably. If an initial estimate is revised due to a change in the contract amount or the occurrence of additional costs, depending on the project status, it may have a material impact on the amounts of revenue recognized in the consolidated financial statements.

【Notes on Consolidated Statement of Financial Position】

1. Accumulated Depreciation of Property, Plant and Equipment

¥3,198,083 thousand

2. Assets Pledged as Collateral

Assets provided as collateral

Other financial assets ¥320,000 thousand

(Note) The Group received debt guarantees, up to the amount mentioned above, for the advance payments received in connection with projects undertaken by our group.

【Notes on Consolidated Statements of Profit or Loss】

1. Research and development expenses

¥7,533,569 thousand

【Notes on Consolidated Statements of Changes in Equity】

1. Classes and Number of Issued Shares, and Classes and Number of Treasury Shares

(1) Issued shares

Ordinary shares 135,905,600 shares

(2) Treasury shares

Not applicable.

2. Dividends

(1) Dividends paid

Not applicable.

(2) Dividends with the record date falling within the fiscal year ended April 30, 2026, but with the effective date of payment in the fiscal year ending April 30, 2027

Not applicable.

3. Classes and Number of Shares Subject to Stock Acquisition Rights Outstanding at the End of the Fiscal Year Ended April 30, 2026 (excluding those for which the commencement date of the exercise period has not yet arrived)

Ordinary shares 8,514,400 shares

【Notes on Financial Instruments】

1. Status of Financial Instruments

(1) Capital management

The Group manages its capital to maintain and strengthen business competitiveness with the aim of sustainable growth and maximization of corporate value. At the same time, the Group aims to increase internal reserves to an appropriate level to prepare for aggressive business expansion in view of enhancing its financial position and improving medium- to long-term business performance.

(2) Financial risk management policies

The Group's business activities entail financial risks. Therefore, it promotes risk management to mitigate such financial risks. The Group strives to eliminate the underlying causes of risk and to reduce unavoidable risks.

The Group finances itself mainly through the issuance of shares and borrowings from financial institutions based on demand for funds in the course of its business activities. Temporary surplus funds are invested in highly secure financial assets while ensuring liquidity required for business activities. Derivative transactions may be used for hedging purposes, not for speculative or trading purposes.

1) Credit risk management

Trade receivables and contract assets arising from the Group's operating activities are exposed to credit risk by industry or size of customer. The Group monitors due dates and outstanding balances by individual customer and periodically monitors the credit worthiness of major customers. Although revenue for the fiscal years ended April 30, 2025 and 2026 is concentrated in a small number of companies and organizations, receivables by relevant customers are not large in light of the Group's financial position. Therefore, there is no excessive concentration of credit risk that requires special management.

The carrying amount of financial assets presented in the financial statements represents the maximum credit risk exposure of the Group.

2) Interest rate risk management

The Group owes interest-bearing debts from borrowings from financial institutions and lease transactions. There are fixed and floating interest rates, and the floating interest loans payables are exposed to risk of market interest rate fluctuations. The Group mitigates the risk by seeking an appropriate mix of fixed and floating interest loans payable and an appropriate mix of equity capital and debt financing.

As for the interest-bearing debt from lease transactions, the payments are fixed, and, therefore, the debts are not exposed to interest rate fluctuation risk.

3) Liquidity risk management

The Group manages its liquidity risk by analyzing its cash flow budgets and actual results to understand funding needs, including those of Group companies, and secures necessary liquidity mainly from equity financing and borrowings from financial institutions.

4) Currency risk management

The Group has receivables and payables and cash flows denominated in currencies other than the functional currency that are exposed to the risk of exchange rate fluctuations. In order to mitigate such risks, the Group enters into forward exchange contracts and other instruments when necessary.

2. Fair Value and Other Information on Financial Instruments

(1) Measurement methods for fair value

The fair values of financial assets and financial liabilities are determined as follows. The fair value of financial instruments is estimated based on quoted market prices, if available. If market prices are not available, the fair value of financial instruments is estimated by discounting future cash flows, or by other appropriate valuation methods.

(a) Cash and cash equivalents

The carrying amounts of short-term investments included in cash and cash equivalents approximate fair value because of their short maturities.

(b) Trade and other receivables and trade and other payables

The carrying amounts of receivables and payables approximate fair value because they are financial instruments settled mainly within a short period.

(c) Loans payable

The carrying amounts of floating interest loans payable approximate fair value because borrowing rates reflect market interest rates in a short period of time. The fair values of fixed interest loans payable are determined by discounting the total principal and interest at the interest rate that would apply to a similar new borrowing.

(2) Fair value hierarchy

For financial instruments measured at fair value, the fair values measured based on the observability and significance of inputs used to measure are categorized into the following three levels. There were no transfers among levels.

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2: Fair value, other than Level 1, that is determined by directly or indirectly using the observable price

Level 3: Fair value determined through valuation techniques, including significant unobservable inputs

The followings are the carrying amounts and fair values of financial instruments, but do not include financial instruments and lease liabilities whose carrying amounts approximate their fair values.

(Thousands of yen)

	Carrying amount	Level 1	Level 2	Level 3	Total
Financial liabilities					
Loans payable (Including current portion of long-term loans payable)	2,275,090	—	2,257,023	—	2,257,023

【Notes on Revenue Recognition】

1. Disaggregated Information on Revenue Arising from Contracts with Customers

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

	(Thousands of yen)
Project revenue (Note 1)	5,910,747
Other revenue (Note 2)	29,867
Total	5,940,615

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.

The breakdown of revenue from external customers is as follows.

	(Thousands of yen)
Japan	3,611,998
United Kingdom	2,059,247
USA	227,244
France	42,125
Total	5,940,615

Note: Revenue is classified by country or region based on the location of customers.

2. Information Useful for Understanding Revenue

As stated in "3. Accounting Policies (4) Revenue Recognition" under "Key Matters Underlying the Preparation of the Consolidated Financial Statements."

3. Information for Understanding the Amounts of Revenue for the Current and Future Fiscal Years

(1) Contract balances

		(Thousands of yen)
	As of May 1, 2025	As of April 30, 2026
Contract assets	853,007	2,507,369
Contract liabilities	5,379,596	4,738,744

Notes: 1. Contract assets are unbilled receivables corresponding to revenue recognized for performance obligations that are satisfied over a certain period of time. They are reclassified to trade receivables at the time when the Group obtains a right to consideration such as through customer acceptance. Contract assets are recognized as current assets in the consolidated statements of financial position.
2. Contract liabilities are obligations for consideration received prior to performance of the contract, and reclassified to revenue at the time when the Group performs the obligations under the contract. Contract liabilities are recognized as current liabilities in the consolidated statements of financial position. As of the end of the fiscal year ended April 30, 2025, the balance of contract liabilities decreased because the amount recognized as revenue in line with the progress of projects during the fiscal year exceeded the amount of consideration received.
3. In the fiscal year ended April 30, 2025, there was no revenue recognized from performance obligations that were satisfied in prior periods.
4. Of the revenue recognized in the fiscal year ended April 30, 2025, there was no amount that was included in the beginning balance of contract liabilities.

(2) Transaction price allocated to the remaining performance obligations

The Group has contracts regarding research and development and demonstration of technologies related to on-orbit services in which revenue is recognized over a long period of time. The aggregate amount of the transaction prices allocated to the performance obligations that were unsatisfied as of the end of fiscal year is as follows.

	(Thousands of yen)
Within one year	10,957,431
Over one year	7,762,804
Total	18,720,236

There is no significant amount of consideration arising from contracts with customers that are not included in the transaction price.

【Notes on Earnings Per Share】

1. Equity Attributable to Owners of the Parent per Share (Yen)	56.35
2. Basic Loss per Share (Yen)	(52.89)

【Notes on Significant Subsequent Event】

(Issuance of new shares and Series 1 Unsecured Convertible Bonds through third-party allotment)

At a meeting of the Board of Directors held on May 19, 2026, the Company resolved to issue new shares through a third-party allotment to Hulic Co., Ltd. ("Hulic") and to issue Series 1 Unsecured Convertible Bonds with stock acquisition rights through a third-party allotment to Hulic. Payment for both was completed on June 5, 2026.

- Overview of the issuance of new shares

1) Method of Offering	Third-party allotment
2) Class and number of shares	Common shares 2,024,200 shares
3) Issue price	¥1,729 per share
4) Total amount of issue price	¥3,499,841 thousand
5) Allottee	Hulic Co., Ltd.
6) Use of proceeds	The proceeds are planned to be allocated to the expansion of production facilities, the maintenance and functional enhancement of existing facilities, manufacturing investment for satellites, and working capital in the on-orbit services business of the Group, through investments in and loans to the Company's consolidated subsidiaries.

- Overview of the issuance of the Series 1 Unsecured Convertible Bonds

1) Method of Offering	Third-party allotment
2) Issue price	100% of the principal amount of the bonds
3) Total amount of issue price	¥16,300,000 thousand
4) Closing date	June 5, 2026
5) Coupon	0%
6) Redemption at maturity	100% on June 5, 2029
7) Conversion price	¥2,208
8) Allottee	Hulic Co., Ltd.
9) Use of proceeds	Same as above

(Capital and business alliance and issuance of new shares through third-party allotment)

At a meeting of the Board of Directors held on May 19, 2026, the Company resolved to enter into a capital and business alliance with SKY Perfect JSAT Corporation ("SKY Perfect JSAT") and to issue new shares through a third-party allotment to SKY Perfect JSAT. Payment was completed on June 5, 2026.

- Overview of the issuance of new shares

1) Method of Offering	Third-party allotment
2) Class and number of shares	Common shares 462,600 shares
3) Issue price	¥1,729 per share
4) Total amount of issue price	¥799,835 thousand
5) Allottee	SKY Perfect JSAT Corporation
6) Use of proceeds	Same as above

- Purpose and Reason for the Capital and Business Alliance

The capital and business alliance is intended to strengthen and expand the business in various areas including on-orbit services as well as to create new business opportunities, by combining the resources and expertise of both companies. By combining the Group's on-orbit services technologies with SKY Perfect JSAT's deep operational expertise, the Company expects to realize scalable, commercially viable solutions that will define the next phase of the space economy. As part of a strategic partnership aimed at creating business opportunities in the on-orbit services domain, the two companies will promote the exploration of collaborations, including cooperation between their overseas subsidiaries.

(Issuance of zero coupon convertible bonds due 2029 through international offering)

At a meeting of the Board of Directors held on May 19, 2026, the Company resolved to issue zero coupon convertible bonds due 2029 through an international offering. Payment was completed on June 5, 2026.

- Overview of the issuance of new shares

1) Securities offered	¥10,000,000 thousand in aggregate principal amount of zero coupon convertible bonds due 2029
2) Issue price	100% of the principal amount of the bonds
3) Closing date	June 5, 2026
4) Coupon	0%
5) Redemption at maturity	100% on June 5, 2029
6) Conversion price	¥2,208
7) Use of proceeds	Same as above.

(Translation for Convenience)

Notes to Non-consolidated Financial Statements

1. Notes on Significant Accounting Policies

(1) Basis and method for valuation of assets

Basis and method for valuation of securities

Subsidiaries…Moving average cost method

(2) Depreciation method for non-current assets

1) Tangible fixed assets

The straight-line method is applied and the useful lives of major assets are as follows:

Leasehold improvements	6 to 18 years
Tools, furniture and fixtures	3 to 15 years

2) Intangible fixed assets

The straight-line method is applied and the useful lives of major assets are as follows:

Software	5 years
Trademark rights	10 years

(3) Recognition criteria for provisions

1) Allowance for doubtful accounts

To make allowances for the non-payment of trade receivables, loans receivable, and other receivables, receivables designated as potentially irrecoverable is determined using actual default rates on an individual claim basis, and an allowance is made for the amount deemed irrecoverable.

2) Provision for loss on guarantees

To provide for losses on guarantees, an estimated amount of losses to be borne is recorded taking into consideration the financial condition of the guaranteed parties.

3) Provision for loss on business of subsidiaries

To provide for losses on investments in subsidiaries, an estimated amount of losses expected to be borne in excess of the amount of investments in and loans to such subsidiaries is recorded.

(4) Recognition criteria for revenue and expenses

The Company mainly earns revenues from public relations activities. The obligation of these activities is deemed to have been fulfilled at the time services are provided to the customers and revenue is recognized at that time of provision.

(5) Other basic policies and important items for the preparation of non-consolidated financial statements

1) Treatment of deferred assets

Share issuance costs

The full amount is treated as an expense at the time the disbursement is made.

2) Basis for conversion of monetary assets and liabilities denominated in foreign currencies into Japanese Yen

Monetary assets and liabilities denominated in foreign currencies are translated into Japanese Yen at the spot exchange rate prevailing at the balance sheet date, and resulting gains or losses are credited or charged to income.

2. Notes on Revenue Recognition

(1) Disaggregated Information on Revenue

The Company mainly earns revenues from public relations activities. Net sales of the activities was ¥3,175 thousand.

(2) Information Useful for Understanding Revenue

As stated in “Recognition criteria for revenue and expenses“ under “Notes on Significant Accounting Policies.”

3. Notes on Accounting Estimates

Evaluation of investments and loans to subsidiaries

1) Amount recorded in non-consolidated financial statements

(Assets)

Shares of subsidiaries	¥6,013,585 thousand
Long-term loans receivables from subsidiaries	¥34,350,380 thousand
Allowance for doubtful accounts (current)	¥ (2,917,572) thousand
Allowance for doubtful accounts (non-current)	¥ (26,243,647) thousand

(Liabilities)

Provision for loss on guarantees	¥275,090 thousand
Provision for loss on business of subsidiaries	¥1,718,685 thousand

(Non-operating expenses)

Provision of allowance for doubtful accounts	¥6,751,289 thousand
Provision for loss on guarantees	¥275,090 thousand
Provision for loss on business of subsidiaries	¥1,718,685 thousand

(Extraordinary losses)

Loss on valuation of shares of subsidiaries	¥397,862 thousand
Bad debt expenses	¥74,964 thousand

2) Information on the nature of significant accounting estimates related to the identified items

For shares of subsidiaries, an impairment loss is recorded when there is a significant decline in the fair value of the shares below its carrying amount, unless there is sufficient evidence of an increase in the fair value based on future plans. For loans receivable from subsidiaries, an allowance for doubtful accounts is recorded for the estimated uncollectible amount based on an individual assessment of the collectability of each loan. In addition, to provide for losses on guarantees, a provision for loss on guarantees is recorded for the estimated future amount of losses to be borne. Furthermore, a provision for loss on business of subsidiaries is recorded for the amount obtained by deducting the allowance for doubtful accounts and the provision for loss on guarantees from the amount of the excess of liabilities over assets of the relevant subsidiaries.

Significant decreases in the actual value, recoverability and collectability depend on estimates of future cash flows based on the financial condition and business plans of each subsidiary. These assumptions are subject to change due to changes in the financial condition of the subsidiaries and revisions to their future business plans and, if a revision becomes necessary, may have a material impact on the financial statements for the following and subsequent fiscal years.

4. Notes on Non-consolidated Balance Sheet

(1) Monetary claims and obligations to subsidiaries and associates (excluding items presented separately)

Short-term monetary claims	¥75,727 thousand
Short-term monetary obligations	¥185,137 thousand

(2) Accumulated depreciation of property, plant and equipment

¥133,925 thousand

(3) Accumulated depreciation includes accumulated impairment losses.

5. Notes on Non-consolidated Statement of Income

(1) Amount of transactions with subsidiaries and associates

Amount of operating transactions

Selling, general and administrative expenses	¥248,719 thousand

Amount of transactions from transactionsother than operating transactions

Interest income	¥129,762 thousand
Miscellaneous income	¥3,739 thousand
Interest expense	¥60,588 thousand
Provision of allowance for doubtful accounts	¥6,751,289 thousand
Bad debt expenses	¥74,964 thousand
Provision of allowance for loss on guarantees	¥275,090 thousand
Provision of allowance for loss on business of subsidiaries	¥1,718,685 thousand

(2) Impairment losses

The Company recorded an impairment loss on the following asset groups.

1) Outline of assets for which impairment losses were recognized

Location	Use	Type	Amount (Thousands of yen)
Sumida Ward, Tokyo	Business assets	Tools, furniture and fixtures	24,674
		Trademark rights	25,272
		Software in progress	9,648
		Software	1,111
Total			60,707

2) Background leading to recognition of impairment losses

The Company's business assets were evaluated as zero and an impairment loss was recognized because the Company's business assets have continuously negative earnings from operating activities and there is a high degree of uncertainty about future cash flows at this point in time.

(3) Bad debt expenses

This item relates to receivables from Astroscale France SAS, subsidiaries of the Company.

(4) Loss on valuation on shares of subsidiaries

This item relates to the shares of Astroscale France SAS, subsidiaries of the Company.

6. Notes on Non-consolidated Statement of Changes in Equity

Types and number of treasury shares

The company does not hold any types of treasury shares.

7. Notes on Tax Effect Accounting

Deferred tax assets arise mainly from loss on valuation on shares of subsidiaries, provision of allowance for doubtful accounts, provision for loss on business of subsidiaries, and loss carryforwards. Deferred tax liabilities arise mainly from foreign exchange gains on foreign-currency-denominated long-term loans receivable. Deferred tax assets of ¥417,745 thousand have been recorded for loss carryforwards that are expected to be available for tax purposes at the time of reversal of such deferred tax liabilities; except for that portion, the entire amount is a valuation allowance and is not recorded as deferred tax assets.

8. Notes on Transactions with Related Parties

Subsidiaries and associates

(Thousands of yen)

Category	Name of company	Voting rights ownership (owned) ratio	Relationship with related party	Transaction contents	Transaction amount	Description	Ending balance
Subsidiary	Astroscale Japan Inc.	Ownership Direct 100%	Loan of funds Loan guarantee	Loan of funds (Note 1)	1,500,000	Long-term loans receivable from subsidiaries (Note 2)	1,500,000
				Repayment of funds	1,405,000		
				Waiver of receivables (Note 7)	1,445,000		
				Underwriting of capital increase (Note 8)	10,920,000		
				Receipt of interest	129,762	Interest income	129,762
				Loan guarantee (Note 5)	275,090	Provision for loss on guarantees (Note 5)	275,090
				Guarantee of debt (Note 6)	7,000,000	–	–
	Astroscale U.S. Inc.	Ownership Direct 100%	Loan of funds Loan guarantee	Loan of funds (Note 1)	10,247,903	Long-term loans receivable from subsidiaries (Note 2)	35,621,627
				Guarantee of debt (Note 6)	2,000,000	―	―
	Astroscale Ltd	Ownership Direct 100%	Loan of funds Acquisition of shares Borrowing of funds Loan guarantee	Loan of funds (Note 1)	–	Long-term loans receivable from subsidiaries (Note 2)	1,663,865
				Underwriting of capital increase (Note 3)	3,069,964	―	―
				Borrowing of funds (Note 4)	–	Long-term borrowings from subsidiaries	3,241,296
				Interest expense (Note 4)	60,588	Accrued interest to subsidiaries	131,072
				Guarantee of debt (Note 6)	2,000,000	―	―
	Astroscale France SAS	Ownership Direct 100%	Loan of funds	Loan of funds (Note 1)	99,042	Long-term loans receivable from subsidiaries (Note 2)	112,317
				Waiver of receivables (Note 9)	551,242		
				Underwriting of capital increase (Note 3)	485,227		

Transaction terms and policy on determination of transaction terms

(Note 1) The loans of funds to Astroscale Japan Inc., Astroscale U.S. Inc., Astroscale Ltd and Astroscale France SAS are determined considering market interest rates and financial condition of the lender.

(Note 2) For long term loans receivable from subsidiaries, an allowance for doubtful accounts is recorded as ¥2,917,572 thousand for the current portion (due within one year) and ¥26,243,647 thousand for the non-current portion (due after one year) is recorded. Also, a provision of allowance for doubtful accounts of ¥6,751,289 thousand is recorded in the fiscal year ended April 30, 2026.

(Note 3) The underwriting of the relevant capital increases is conducted by means of cash contributions.

(Note 4) Interest rates on borrowings from Astroscale Ltd are determined rationally, considering market interest rate trends and other related factors.

(Note 5) The Company guarantees the borrowings of Astroscale Japan Inc. from financial institutions. The transaction amount shows the balance at the end of the fiscal year ended April 30, 2026 of the maximum amount of guaranteed obligations. As of the end of the fiscal year ended April 30, 2026, a provision for loss on guarantees was recorded in the same amount as the balance of the relevant borrowings at the end of the fiscal year.

(Note 6) Loans from financial institutions are guaranteed and the transaction amount shows the balance at the end of the fiscal year ended April 30, 2026 of the maximum amount of guaranteed debt.

(Note 7) As a result of individually assessing the collectability of accrued interest receivables related to loans, the Company has recognized bad debt expenses because it was determined that collection is not possible.

(Note 8) The relevant capital increase was conducted by means of an in-kind contribution (debt-equity swap, hereinafter the "DES") of long-term loans receivable from Astroscale Japan Inc. An allowance for doubtful accounts had been recorded for the entire amount of such long-term loans receivable by the end of the previous fiscal year, and upon execution of the DES, the allowance for doubtful accounts corresponding to such loans receivable was reversed. The shares acquired through the DES are recorded as shares of subsidiaries at their appropriate carrying value (the amount after deducting the allowance for doubtful accounts).

(Note 9) An allowance for doubtful accounts of ¥476,277 thousand has been applied to the relevant waiver of receivables. In addition, a bad debt loss of ¥74,964 thousand has been recorded.

9. Notes Regarding Per Share Information

Net assets per share (Yen)	52.15
Earnings per share (Yen)	(57.43)

10. Notes Regarding Significant Subsequent Events

(Issuance of new shares and Series 1 Unsecured Convertible Bonds through third-party allotment)

At a meeting of the Board of Directors held on May 19, 2026, the Company resolved to issue new shares through a third-party allotment to Hulic Co., Ltd. ("Hulic") and to issue Series 1 Unsecured Convertible Bonds with stock acquisition rights through a third-party allotment to Hulic. Payment for both was completed on June 5, 2026.

- Overview of the issuance of new shares

1) Method of Offering	Third-party allotment
2) Class and number of shares	Common shares 2,024,200 shares
3) Issue price	¥1,729 per share
4) Total amount of issue price	¥3,499,841 thousand
5) Allottee	Hulic Co., Ltd.
6) Use of proceeds	The proceeds are planned to be allocated to the expansion of production facilities, the maintenance and functional enhancement of existing facilities, manufacturing investment for satellites, and working capital in the on-orbit services business of the Group, through investments in and loans to the Company's consolidated subsidiaries.

- Overview of the issuance of the Series 1 Unsecured Convertible Bonds

1) Method of Offering	Third-party allotment
2) Issue price	100% of the principal amount of the bonds
3) Total amount of issue price	¥16,300,000 thousand
4) Closing date	June 5, 2026
5) Coupon	0%
6) Redemption at maturity	100% on June 5, 2029
7) Conversion price	¥2,208
8) Allottee	Hulic Co., Ltd.
9) Use of proceeds	Same as above

(Capital and business alliance and issuance of new shares through third-party allotment)

At a meeting of the Board of Directors held on May 19, 2026, the Company resolved to enter into a capital and business alliance with SKY Perfect JSAT Corporation ("SKY Perfect JSAT") and to issue new shares through a third-party allotment to SKY Perfect JSAT. Payment was completed on June 5, 2026.

- Overview of the issuance of new shares

1) Method of Offering	Third-party allotment
2) Class and number of shares	Common shares 462,600 shares
3) Issue price	¥1,729 per share
4) Total amount of issue price	¥799,835 thousand
5) Allottee	SKY Perfect JSAT Corporation
6) Use of proceeds	Same as above

- Purpose and Reason for the Capital and Business Alliance

The capital and business alliance is intended to strengthen and expand the business in various areas including on-orbit services as well as to create new business opportunities, by combining the resources and expertise of both companies. By combining the Group's on-orbit services technologies with SKY Perfect JSAT's deep operational expertise, the Company expects to realize scalable, commercially viable solutions that will define the next phase of the space economy. As part of a strategic partnership aimed at creating business opportunities in the on-orbit services domain, the two companies will promote the exploration of collaborations, including cooperation between their overseas subsidiaries.

(Issuance of zero coupon convertible bonds due 2029 through international offering)

At a meeting of the Board of Directors held on May 19, 2026, the Company resolved to issue zero coupon convertible bonds due 2029 through an international offering. Payment was completed on June 5, 2026.

- Overview of the issuance of new shares

1) Securities offered	¥10,000,000 thousand in aggregate principal amount of zero coupon convertible bonds due 2029
2) Issue price	100% of the principal amount of the bonds
3) Closing date	June 5, 2026
4) Coupon	0%
5) Redemption at maturity	100% on June 5, 2029
6) Conversion price	¥2,208
7) Use of proceeds	Same as above.

Note: Amounts shown in these financial statements are rounded down to the nearest thousand yen.