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May 8, 2025

Company Name: Astroscale Holdings Inc.
Representative: Mitsunobu Okada
Representative Director, President and CEO
(Securities Code: 186A; Tokyo Stock Exchange Growth Market)
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Notice Regarding Issuance of New Shares through International Offering

Astroscale Holdings Inc. (the "Company") hereby announces that its Board of Directors, at a meeting held today, has resolved matters regarding issuance of new shares through an international offering (the "International Offering") as described below.

1. Background and Purpose of the International Offering

The Company is a leading on-orbit services⁽¹⁾ company with a vision of securing the safe and sustainable development of space for the benefit of future generations. By providing such services, the Company aims to contribute to enhancing business values of satellite operators and launch service providers as well as to promote the growth of a profitable and sustainable space economy.

The Company launched its ELSA-d servicer in March 2021 and its ADRAS-J mission in February 2024. Through these missions, the Company became the world's first private company to demonstrate RPO⁽²⁾ technologies for non-cooperative space objects⁽³⁾.

In addition, the Company has also established a presence in five countries through full-capability entities that each include local management, engineering and sales and policy teams. The Company's local entities in certain countries also operate production facilities in their respective countries that enable them to bid for local government projects. Demonstrating the success of this approach, the Company has won awards and contracts in Japan, United Kingdom, United States and European countries, enabling the Company to build a geographically diversified project portfolio.

The Company has utilized the proceeds from its global initial public offering to steadily grow its business to date. The Company has decided to pursue the International Offering to raise funds for project development, research and development and infrastructure investment, which will allow the Company to continue to expand its on-orbit services to cater to growing market demand.

(Notes)

- (1) On-orbit services refers to using a satellite that can approach another satellite or object on orbit to conduct a desired operation with such satellite or object in orbit.
- (2) Rendezvous and proximity operations.
- (3) Free-floating objects in space that have no communication link with the servicing satellite.

Note: This communication does not contain or constitute an offer of securities for sale, or solicitation of an offer to purchase securities, in the United States or any other jurisdiction where such an offer or solicitation would be unlawful. Securities may not be offered or sold in the United States absent registration under the U.S. Securities Act of 1933, as amended (the "Securities Act") or an exemption from applicable registration requirements. The securities referred to herein have not been and will not be registered under the Securities Act.

2. Issuance of New Shares through International Offering

(1)	Type and number of shares to be offered	18,000,000 shares of common stock of the Company
(2)	Method of determination of amount to be paid in	The amount to be paid in will be determined on a day between May 19, 2025 (Monday) and May 22, 2025 (Thursday) (the "Pricing Date") by a process equivalent to the book-building process set out under Article 25 of the Regulations Concerning Underwriting, etc. of Securities established by the Japan Securities Dealers Association (the "JSDA").
(3)	Amount of stated capital and capital reserves to be increased	The amount of stated capital to be increased shall be half of the maximum amount of increase in stated capital calculated in accordance with Article 14, Paragraph 1 of the Regulations on Corporate Accounting, with any fraction less than one yen resulting from the calculation rounded up to the nearest one yen. The amount of capital reserves to be increased shall be the amount obtained by subtracting the amount of stated capital to be increased from the said maximum amount of increase in stated capital.
(4)	Method of offering	The offering will be made outside of Japan, mainly in Europe and the United States (in the United States, limited to sales to qualified institutional buyers pursuant to Rule 144A under the U.S. Securities Act of 1933), and all of the shares described in (1) above shall be severally and not jointly purchased by several underwriters (the "Underwriters"). The issue price (offer price) with regard to the International Offering will be determined on the Pricing Date based on the provisional range calculated by multiplying the closing price of regular trading of the common stock of the Company on Tokyo Stock Exchange, Inc. on the Pricing Date (or, if no closing price is quoted on that date, the closing price of the immediately preceding date) by 0.90 ~ 1.00 (with any fraction less than one yen rounded down), by a process equivalent to the book building process set out under Article 25 of the Regulations Concerning Underwriting, etc. of Securities established by the JSDA, taking into account investor demand and other conditions.
(5)	Compensation for the Underwriters	The Company will not pay any underwriting fees to the Underwriters. The aggregate amount of the difference between (a) the issue price (offer price) and (b) the amount to be paid to the Company by the Underwriters will be retained by the Underwriters.
(6)	Payment date	The payment date shall be any day between May 23, 2025 (Friday) and May 27, 2025 (Tuesday), provided, however, that such day shall be May 23, 2025 (Friday) if the Pricing Date is May 19, 2025 (Monday), or that such day shall be the 3rd business day following the Pricing Date if the Pricing Date is between May 20, 2025 (Tuesday) and May 22, 2025 (Thursday).
(7)	Delivery date	The delivery date shall be the business day immediately following the payment date above.
(8)	Subscription unit	100 shares
(9)	Determination of the issue price (offer price), the amount to be paid in, the amount of stated capital and capital reserves to be increased and any other matters necessary for the International Offering and the implementation of the procedures (including the execution of related agreements and the preparation of related documents) shall be determined at the discretion of Mitsunobu Okada, the Representative Director, President and CEO of the Company, or his attorney-in-fact.	

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<Reference>

1. Change in the number of issued shares as a result of the International Offering

Total number of issued shares (as of April 30, 2025): 117,517,800 shares

Increase in number of shares as a result of the International Offering: 18,000,000 shares

Total number of issued shares after the International Offering: 135,517,800 shares

(Note) As the Company has issued stock acquisition rights, the total number of issued shares is as of April 30, 2025.

2. Use of Proceeds

(1) Use of proceeds raised in the International Offering

The Company intends to use the estimated net proceeds of approximately ¥10,910 million⁽¹⁾ from the International Offering as follows:

(i) Investments towards projects related to defense (¥4,000 million by fiscal year ending April 30, 2027): Demand for defense-related contracts has recently surged. Examples include the Company's contract with the Ministry of Defense of Japan to develop and test a proto-flight model (announced on February 27, 2025, for a total amount of ¥6.6 billion) and a contract with BAE Systems plc for a new mission (announced on January 14, 2025, for a total amount of £5.15 million, or approximately ¥1.0 billion⁽²⁾), among other projects currently under negotiation. To capture the rapidly expanding market demand in the defense-related areas, the Company plans to invest ¥4,000 million by fiscal year ending April 30, 2027 towards expanding or establishing high-security facilities, project development and research and development.

(ii) Investments towards LEX missions (¥6,000 million by fiscal year ending April 30, 2027): The Company believes commercial LEX services will be a significant driver of its future growth. To meet increasing commercial customer interest, the Company plans to invest ¥6,000 million by fiscal year ending April 30, 2027 towards further development of LEX servicers.

(iii) Investments towards future missions and facilities (¥910 million by fiscal year ending April 30, 2027): The business environment for space industry is nascent and rapidly evolving, and demand for on-orbit services continues to grow at an accelerating pace. There has also been demand that the Company had not anticipated at the time of its global initial public offering, including, for example, its contract with ESA for the CAT-IOD Phase A mission (announced on January 21, 2025, for a total amount of €0.59 million, or approximately ¥95 million⁽³⁾). The Company also expects that UKSA's COSMIC project, for which the Company has already contracted for debris removals, will proceed with subsequent phases and the overall demand for on-orbit services will continue to grow. To prepare to meet the market demand in a timely manner, the Company intends to invest ¥910 million by fiscal year ending April 30, 2027 towards expansion of facilities, project development and research and development for contracted and potential future missions.

(Notes)

- (1) Calculated based on the closing price of regular trading of the shares of common stock of the Company on Tokyo Stock Exchange, Inc. on May 7, 2025 (Wednesday). If the net proceeds from the International Offering, which will be determined on the Pricing Date, exceed the estimate set forth above, the Company would use any additional proceeds towards "(iii) Investments towards future missions and facilities" above. If the net proceeds from the International Offering fall below the estimate set forth above, the Company would first reduce the amount of net proceeds to be used towards "(iii) Investments towards future missions and facilities" above and then, if necessary, proportionally reduce the proceeds towards "(i) Investments towards projects related to defense" and "(ii) Investments towards LEX missions" above.
- (2) Calculated based on an exchange rate of ¥194.58 to £1.00 as of January 10, 2025.
- (3) Calculated based on an exchange rate of ¥160.51 to €1.00 as of January 20, 2025.

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(2) Change in the use of proceeds raised in the previous offering

Not applicable.

(3) Expected impact on operating performance

There will be no change to the consolidated business forecast for the fiscal year ended April 30, 2025 as a result of the International Offering. The Company believes that it will improve and strengthen the Company group's financial position and contribute to medium- and long-term growth and improvement in profitability and further enhance the Company group's corporate value.

3. Lock-up

With regard to the International Offering, the Company has agreed with the Underwriters that it will not carry out certain transactions including the issuance of shares of common stock of the Company, the issuance of securities convertible into or exchangeable for shares of common stock of the Company, and the issuance of securities that represent the rights to acquire or receive shares of common stock of the Company (excluding, among others, the issuance of new shares upon the International Offering and stock splits) during the period beginning on the Pricing Date, and ending on the 180th day from (and including) the delivery date of the International Offering (the "Lock-up Period"), without prior written consent of the Underwriters.

In addition, Mitsunobu Okada, Christopher Blackerby and Nobuhiro Matsuyama, the shareholders of the Company, have agreed with the Underwriters that they will not carry out certain transactions including the transfer or disposal of shares of common stock of the Company (excluding, among others, the sale or transfer of shares of common stock of the Company constituting less than a full unit of shares to the Company upon request of any holder of such shares or the sale or transfer of shares of common stock of the Company in response to any share repurchase the Company may conduct) during the Lock-up Period, without prior written consent of the Underwriters.

In the above circumstances, the Underwriters, at their discretion, are authorized to partially or wholly waive such agreements even during the Lock-up Period.

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