



July 7, 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 Reduction of Capital and Legal Capital Surplus and Appropriation of Surplus

Astroscale Holdings Inc. ("Company" or "we") hereby announces that it has resolved at a meeting of its Board of Directors held on July 4, 2025 at 10:00 p.m. to submit the proposals of "Reduction of Capital and Legal Capital Surplus and Appropriation of Surplus" to the 7th Annual General Meeting of Shareholders of the Company scheduled to be held on July 30, 2025.

1. Purpose of reduction of capital and legal capital surplus and appropriation of surplus

As of April 30, 2025, the Company has recorded a deficit of ¥23,408,254,357 in retained earnings brought forward. The purpose of this matter is to compensate for the deficit in retained earnings brought forward and to strengthen the Company's financial foundation.

2. Summary of reduction of capital and legal capital surplus and appropriation of surplus

(1) Reduction of capital

Pursuant to the provisions of Paragraph 1 of Article 449 of the Companies Act, the Company will reduce capital and transfer such amounts to other capital surplus.

(i)	Amount of capital to be reduced	
	Capital	6,675,691,948 yen
(ii)	Amount of other capital surplus to be increased	
	Other capital surplus	6,675,691,948 yen
(iii)	Amount of capital after the reduction	
	Capital	3,621,794,126 yen

(2) Reduction of legal capital surplus

Pursuant to the provisions of Paragraph 1 of Article 448 of the Companies Act, the Company will reduce legal capital surplus and transfer such amounts to other capital surplus.

(i)	Amount of legal capital surplus to be reduced	
	Legal capital surplus	16,732,562,409 yen
(ii)	Amount of other capital surplus to be increased	
	Other capital surplus	16,732,562,409 yen
(iii)	Amount of legal capital surplus after the reduction	
	Legal capital surplus	0 yen

(3) Appropriation of Surplus

Pursuant to the provisions of Article 452 of the Companies Act, on the condition that the reduction in the amount of capital and legal capital surplus described in (1) and (2) above becomes effective, the entire amount of other capital surplus arising from the reduction in the amount of capital and legal capital surplus shall be reduced and transferred to retained earnings brought forward to be carried forward to compensate for the deficit.

- (i) Item of surplus to be reduced and amount of reduction
 - Other capital surplus 23,408,254,357 yen
- (ii) Item of surplus to be increased and amount of increase
 - Retained earnings brought forward 23,408,254,357 yen

3. Schedule of reduction of legal capital surplus and appropriation of surplus

- (1) Date of resolution of the meeting of the Board of Directors: July 4, 2025
- (2) Date of resolution of the Annual General Meeting of Shareholders: July 30, 2025 (Scheduled)
- (3) Effective date: September 1, 2025(Scheduled)

Since this case falls under the proviso of Article 449, Paragraph 1 of the Companies Act, the procedure for creditor objection will not be required.

4. Future Outlook

There is no impact on net assets per share since this matter is a transfer between accounts in the net assets section of the balance sheet and there is no change in the Company's net assets or the total number of shares issued and outstanding. There will be no impact on our group financial results for the fiscal year ending April 30, 2026.

This matter is subject to the approvals of the "Reduction of Capital and Legal Capital Surplus and Appropriation of Surplus" at the 7th Annual General Meeting of Shareholders scheduled to be held on July 30, 2025.

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