July 6, 2026

Company Name: Astroscale Holdings Inc.
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(Securities Code: 186A; Tokyo Stock Exchange Growth Market)
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Notice Regarding Introduction of Post-Delivery Stock-Based Compensation Plan for Directors of the Company

Astroscale Holdings Inc. (the "Company") hereby announces as follows that, at the meeting of its board of directors held on July 3, 2026, the Company resolved (i) to introduce a post-delivery stock-based compensation plan (a Restricted Stock Unit plan; the "RSU Plan I") for the Company's Directors (excluding Outside Directors; the "Eligible Directors I") and (ii) to introduce a post-delivery stock-based compensation plan (a Restricted Stock Unit plan; the "RSU Plan II"; together with the RSU Plan I, the "RSU Plans") for the Company's Outside Directors (the "Eligible Directors II"; together with the Eligible Directors I, the "Eligible Directors"), and also decided to submit a proposal regarding the introduction of the RSU Plans (the "Proposal") to the 8th Annual General Meeting of Shareholders scheduled to be held on July 30, 2026 (the "Shareholders Meeting").

1. Purpose, etc. of introducing a post-delivery stock-based compensation plan for Directors

   At the 4th Annual General Meeting of Shareholders held on July 29, 2022, approval was granted for the aggregate compensation of the Company's Directors in an amount not exceeding ¥200 million per year. Since then, the Company has paid monetary compensation to Directors within such upper limit.

   The Company believes that, in order to achieve sustainable growth of its corporate value, it is important to secure and retain Directors who have deep experience in global business management, whether in Japan or overseas, and strong expertise in the Company's business domain. Therefore, it is necessary to establish a compensation system that is competitive in the global talent market, to further promote alignment between Directors and shareholders (as well as to further strengthen the sharing of interests with the Company's shareholders by providing stock-based compensation to Outside Directors in lieu of monetary compensation), and to appropriately provide incentives aimed at enhancing corporate value over the medium to long term.

   The RSU Plan I is a stock-based compensation plan under which the delivery of the Company's common stock is deferred, subject to performance of duties over a certain period and continued contribution to the Company, to promote management from a medium- to long-term perspective by Directors and alignment of interests with shareholders. In addition, the RSU Plan II is a stock-based compensation plan under which the delivery of the Company's common stock is deferred to enable Outside Directors to exercise their management oversight function from a medium- to long-term perspective and align their interests with those of the shareholders.

   For the reasons stated above, the Company has decided to introduce the RSU Plans for the Eligible Directors separate from the abovementioned monetary compensation subject to the approval of the Proposal by the shareholders at the Shareholders Meeting.

The specific timing of payment and allocation to each Eligible Director shall be determined by the Company's Board of Directors.

2. Content of the RSU Plans

(1) Content of RSU Plan I

Under RSU Plan I, the Company's board of directors shall determine the number of units to be granted to each individual Eligible Director I (the "Base Number of Units I") considering their duties and responsibilities. RSU Plan I targets the four consecutive fiscal years starting from the fiscal year of grant (the "Plan Period I"). Vesting occurs for each of the four periods from the first Annual General Meeting of Shareholders ("AGM") held during the Plan Period I until the AGM immediately following the end of the Plan Period I. Vesting is contingent on the relevant Eligible Director I's continuous service as an Eligible Director I during each of the periods from each AGM until the close of the AGM held in the following year (individually or collectively referred to as the "Service Period I"). The Company will deliver one share of the Company's common stock or cash in lieu thereof (collectively the "Company Common Stock, Etc.") (Note 1) for one unit of vested RSU after the end of each Service Period I. In other words, RSU Plan I grants RSUs that vest in four equal installments at the end of each Service Period I during the Plan Period I, subject to continuous service as an Eligible Director I during each Service Period I. Upon vesting, the Company Common Stock, Etc. will be delivered to each Eligible Director I in exchange for the RSUs.

RSU Plan I is designed to incentivize building corporate value over the medium to long term through each four-year Plan Period I and incremental vesting in accordance with service during each Service Period I. The Company believes this is appropriate given the importance of each Eligible Directors I's role in business execution and mid- to long-term strategy setting.

A new Plan Period I shall be established each year, with the initial Plan Period being the four fiscal years from the fiscal year ending April 2027 through the fiscal year ending April 2030. Each Service Period I in the initial Plan Period I shall be the four periods during each AGM from this AGM to the close of the AGM relating to the fiscal year ending April 2030.

After the end of each Service Period I, the Company shall grant each Eligible Director I monetary compensation claims as compensation corresponding to the units vested during the relevant Service Period I. Then, the Company shall issue the Company's new common stock or dispose of treasury stock to each Eligible Director I in exchange for all of such monetary compensation claims as property contributed in kind. In this case, the amount to be paid in per share shall be the amount determined by the Company's board of directors, within a range not especially advantageous to the Eligible Directors I, based on the closing price of the Company's common stock on the Tokyo Stock Exchange on the business day immediately preceding the date of the resolution of the Company's board of directors regarding such issuance or disposition (or, if no trading was effected on that day, the closing price on the nearest preceding trading day) (Note 2) (Note 3).

(2) Content of RSU Plan II

Under RSU Plan II, the Company's board of directors shall determine the number of units to be granted to each individual Eligible Director II (the "Base Number of Units II") considering their duties and responsibilities. RSU Plan II targets the fiscal year in which the units are granted (the "Plan Period II"). Vesting occurs after the AGM immediately following the end of the Plan Period II. Vesting is contingent on each Eligible Director II's continuous service as an Eligible Director II during the period from the AGM held during the Plan Period II until the close of the AGM held after the end of the Plan Period II (individually or collectively referred to as the "Service Period II"; together with Service Period I, the "Service Periods"). The Company will deliver one Company Common Share, Etc. (Note 1) for one unit of vested RSU after the end of each Service Period II.

RSU Plan II is designed to align the Service Period II with the term of office and responsibility of Outside Directors by vesting all RSUs after a 1-year Plan Period II and Service Period II, effectively functioning as a substitute for cash compensation while ensuring appropriate compensation for the exercise of the supervisory function as Outside Directors and the sharing of interests with shareholders. A new Plan Period II shall be established each year, with the initial Plan Period II being the fiscal year ending April 2027, and the corresponding Service Period II being the period from this AGM to the close of the AGM relating to the fiscal year ending April 2027.

After the end of each Service Period II, the Company shall grant each Eligible Director II monetary compensation claims as compensation corresponding to the units vested during the relevant Service Period II. Then, the Company shall issue the Company's new common stock or dispose of treasury stock to each Eligible Director II in exchange for all of such monetary compensation claims as property contributed in kind. In this case, the amount to be paid in per share shall be the amount determined by the Company's board of directors, within a range not especially advantageous to the Eligible Directors II, based on the closing price of the Company's common stock on the Tokyo Stock Exchange on the business day immediately preceding the date of the resolution of the Company's board of directors regarding such issuance or disposition (or, if no trading was effected on that day, the closing price on the nearest preceding trading day) (Note 2) (Note 3).

(Note 1) For non-residents, all shares may be substituted with cash payment, in an amount equivalent to the share price, in light of local laws and regulations.

(Note 2) In case an Eligible Director loses the position of Director of the Company or any other position prescribed by the Company's board of directors during a Service Period for reasons recognized as legitimate by the Company's board of directors, the Company's board of directors may, depending on the reason for such retirement and the period of service, etc., vest all or part of the unvested units and reasonably adjust the number and timing of delivery of the Company's common stock to be allotted to such Eligible Director. In addition, if an Eligible Director loses the above position during a Service Period without reasons recognized as legitimate by the Company's board of directors, the Company's board of directors may, depending on the reason for such retirement and the period of service, etc., cause all or part of the unvested units to lapse, or may decide not to deliver all or part of the undelivered the Company's common stock corresponding to already vested units.

(Note 3) In case an Eligible Director retires due to death before the date of delivery of shares under the RSU Plans, all unvested units shall lapse, and no undelivered the Company's common stock corresponding to vested units shall be delivered. In addition, prior to the date of delivery of shares under the RSU Plans, if matters relating to (a) a merger agreement under which the Company is absorbed, (b) a share exchange agreement or share transfer plan under which the Company becomes a wholly owned subsidiary, (c) an incorporation-type company split plan or absorption-type company split agreement under which the Company becomes a splitting company (limited to an absorption-type split or incorporation-type split by split-off), (d) a consolidation of shares that results in the Company being controlled by a specific shareholder, an acquisition of class shares subject to call, or a demand for the sale of shares ("Organizational Restructuring, Etc.") are approved at a General Meeting of Shareholders of the Company (in case approval by a General Meeting of Shareholders of the Company is not required with respect to such Organizational Restructuring, Etc., at a meeting of the Company's board of directors), all unvested units shall lapse, and no undelivered the Company's common stock corresponding to vested units shall be delivered. This shall apply only when the effective date of such Organizational Restructuring, Etc. is scheduled to occur before the date of delivery of shares under the RSU Plans.

(3) Upper Limit of Compensation, etc. and Maximum Total Number of Shares Relating to the RSU Plans

The total amount of compensation, etc. relating to RSU Plan I (including the amount of cash to be paid where cash is delivered in lieu of the Company's common stock) shall be limited to ¥150 million per fiscal year, and the total number of shares of the Company's common stock to be delivered by the Company to Eligible Directors I shall be limited to 100,000 shares per fiscal year (Note 4). In addition, the total amount of compensation, etc. relating to RSU Plan II (including the amount of cash to be paid where cash is delivered in lieu of the Company's common stock) shall be limited to ¥150 million per fiscal year, and the total number of shares of the Company's common stock to be delivered by the Company to Eligible Directors II shall be limited to 100,000 shares per fiscal year (Note 4). The amount of compensation, etc. relating to the RSU Plans shall be the amount obtained by multiplying the number of shares of the Company's common stock to be allotted to Eligible Directors by the amount to be paid in per share determined by the Company's board of directors, within a range not especially advantageous to Eligible Directors who are to receive delivery of the Company's common stock, based on the closing price of the Company's common stock on the Tokyo Stock Exchange on the business day immediately preceding the day of the resolution regarding the issuance or disposition of the Company's common stock to be carried out by the Company's board of directors for the RSU Plans (or, if no trading was effected on that day, the closing price on the nearest preceding trading day).

(Note 4) However, if the total number of issued shares of the Company increases or decreases due to a consolidation of shares or a stock split (including allotment of shares without contribution), the maximum number of shares and the number of shares of the Company's common stock per unit shall be reasonably adjusted in accordance with that ratio.

As stated above, the maximum number of shares of the Company's common stock to be delivered by the Company to the Eligible Directors under RSU Plan I and RSU Plan II is 100,000 shares for each Plan for each fiscal year, and the proportion of the total number of issued shares (as of April 30, 2026; excluding treasury shares,) represented by each is approximately 0.07%. Accordingly, the degree of dilution is minimal, and the Company believes this is reasonable in light of the purpose of the RSU Plans.

(4) Outline of the Conditions for Delivery of the Company's Common Shares, etc. Relating to the RSU Plan

The delivery of the Company's Common Shares, Etc. relating to the RSU Plans shall be subject to the conditions that the Eligible Directors continuously held the position of Director of the Company or any other position prescribed by the Company's board of directors during the relevant Service Period, and that the Eligible Directors satisfy any other requirements prescribed by the Company's board of directors as necessary to achieve the purpose of the RSU Plans. In addition, if serious misconduct or a violation, etc. by an Eligible Director occurs, or if the board of directors resolves to make a subsequent correction of the financial statements due to a material accounting error or fraud, the Company may decide not to deliver shares or pay money under the RSU Plans to such Eligible Director in whole or in part (malus), or may demand the return of all or part of the shares delivered or money paid (clawback).

<u>Reference</u>

If the introduction of RSU Plan I is approved at the Shareholders Meeting, the Company plans to introduce a post-delivery stock-based compensation plan similar to RSU Plan I for the Company's Executive Officers and certain employees.

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