September 11, 2026

Consolidated Financial Results for the Three Months Ended July 31, 2026 (Under IFRS)

Company name: Astroscale Holdings Inc.
Listing: Tokyo Stock Exchange
Securities code: 186A
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Scheduled date to commence dividend payments: —
Preparation of supplementary material on financial results: Yes
Holding of financial results briefing: None

(Yen amounts are rounded down to millions, unless otherwise noted.)

1. Consolidated financial results for the three months ended July 31, 2026 (from May 1, 2026 to July 31, 2026)

(1) Consolidated operating results (cumulative)

(Percentages indicate year-on-year changes.)

	Project Income		Revenue		Adjusted EBITDA		Operating profit		Profit before tax		Profit	
Three months ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
July 31, 2026	2,024	(14.5)	1,195	(4.4)	(2,477)	—	(2,750)	—	(3,005)	—	(3,071)	—
July 31, 2025	2,368	103.1	1,250	422.3	(2,064)	—	(2,376)	—	(1,210)	—	(1,211)	—

Note1: Project income is calculated by adding revenue from customers and government subsidy income only related to grants for which use is tied to specific projects.
Note2: Adjusted EBITDA is calculated by adding depreciation and amortization expenses in cost of sales and selling, general and administrative expenses and share-based payment expenses to operating loss.

	Profit attributable to owners of parent		Total comprehensive income		Basic earnings per share	Diluted earnings per share
Three months ended	Millions of yen	%	Millions of yen	%	Yen	Yen
July 31, 2026	(3,071)	—	(3,081)	—	(22.13)	(22.13)
July 31, 2025	(1,211)	—	(2,236)	—	(9.23)	(9.23)

(2) Consolidated financial position

	Total assets	Total equity	Equity attributable to owners of parent	Ratio of equity attributable to owners of parent to total assets
As of	Millions of yen	Millions of yen	Millions of yen	%
July 31, 2026	57,907	12,853	12,853	22.2
April 30, 2026	32,121	7,657	7,657	23.8

2. Cash dividends

	Annual dividends per share				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended April 30, 2026	—	0.00	—	0.00	0.00
Fiscal year ending April 30, 2027	—				
Fiscal year ending April 30, 2027 (Forecast)		0.00	—	0.00	0.00

Note: Revisions to the forecast of cash dividends most recently announced: None

3. Consolidated financial forecast for the fiscal year ending April 30, 2027 (from May 1, 2026 to April 30, 2027)

(Percentages indicate year-on-year changes.)

	Project Income		Revenue		Operating profit		Profit before tax		Profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Annual	12,500 ~17,000	8.6 ~47.7	7,000 ~9,000	17.8 ~51.5	(9,900) ~(9,000)	—	(10,600) ~(9,600)	—	(10,600) ~(9,600)	—

	Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Yen
Annual	(10,600) ~(9,600)	—	(76.38) ~(69.17)

Note: 1. Revisions to the consolidated financial forecast most recently announced: None

The Company has omitted consolidated financial forecasts for the second quarter (cumulative) since the Company manages business performance on an annual basis. Regarding the details, please refer to "1. Qualitative Information on the Financial Results for the Period under Review (4) Special note regarding forward-looking statements" on page 5 of the attached document.

* **Notes**

(1) Significant changes in the scope of consolidation during the period: None

(2) Changes in accounting policies and changes in accounting estimates

(i) Changes in accounting policies required by IFRS: None

(ii) Changes in accounting policies due to other reasons: None

(iii) Changes in accounting estimates: None

(3) Number of issued shares (ordinary shares)

(i) Total number of issued shares at the end of the period (including treasury shares)

As of July 31, 2026	142,120,700 shares
As of April 30, 2026	135,905,600 shares

(ii) Number of treasury shares at the end of the period

As of July 31, 2026	177 shares
As of April 30, 2026	— shares

(iii) Average number of shares outstanding during the period (cumulative from the beginning of the fiscal year)

Three months ended July 31, 2026	138,772,899 shares
Three months ended July 31, 2025	131,217,528 shares

* Review of the Japanese-language originals of the attached consolidated quarterly financial statements by certified public accountants or an audit firm: None

* Proper use of earnings forecasts, and other special matters

(Notes on forward-looking statements)

The forecasts and other forward-looking statements contained in this document are based on information currently available to the Group and on certain assumptions that are judged to be reasonable, and are not intended to be a promise by the Company that they will be achieved. Actual results may differ materially due to various factors.

(How to obtain the supplementary materials on financial results and the content of the financial results briefing session)

The Company will not hold a financial results briefing session for institutional investors and securities analysts for the first quarter. The materials to be distributed in regular briefing session will be disclosed via TDnet and on the Company's website promptly on the same day.

Contents of Attachment

1. Qualitative Information on the Financial Results for the Period under Review

(1) Overview of Operating Results

During the first quarter of the fiscal year ending April 2027, numerous initiatives aimed primarily at strengthening space defense were observed across the key countries and regions in which the Group operates, a trend continuing from the previous fiscal year.

In Japan, based on the “Space Domain Defense Guidelines” released in July 2025, the Strategic Headquarters for National Space Policy decided on key priorities for revising the “Implementation Plan of the Basic Plan on Space Policy” and indicated its policy of promoting strategic support for dual-use technologies, including RPO capabilities in June 2026. In the same month, a bill to amend the Space Activities Act was enacted and promulgated, introducing safety standards and a certification system that also cover on-orbit objects other than satellites, marking further progress in the development of the regulatory framework for preserving the space environment and ensuring the sustainability of space activities.

In the United Kingdom, the UK Ministry of Defence announced in May 2026 that Borealis, a Space Domain Awareness (SDA) and satellite protection system, had achieved Initial Operating Capability (IOC). Borealis is designed to monitor on-orbit objects, including space debris and satellites, integrate data relating to UK satellites, and provide timely information to support government and military decision-making. As demonstrated by Borealis, SDA has begun receiving actual budget allocations, and project awards to private companies are progressing. The Company’s consolidated subsidiary in the UK is involved in the project as a subcontractor. In June, the UK Ministry of Defence and the UK Space Agency jointly published “Cross-government Space Domain Awareness Requirements v3.0.” The document provides industry with transparency regarding the SDA capabilities expected to be required by the UK government in the future, thereby further clarifying demand for SDA capabilities in the UK. In the same month, the government released the “Defence Investment Plan” to implement the “Strategic Defence Review 2025,” which had been published in June 2025. Under the plan, approximately £298 billion will be invested over the next four years, with annual defense spending expected to increase to approximately £80 billion by 2029. In announcing the plan, the Minister for Defence Readiness and Industry stated that “space and aerospace industries received a huge boost from our Defence Investment Plan and that will fuel those sectors over the coming decades.”

In Europe, in June, the European Council once again identified space assets and services as one of the European Union’s priority capability areas for strengthening defense readiness by 2030 and called on member states to accelerate the development of related capabilities.

In 2026, continued progress was observed in various policy initiatives across the major countries and regions in which the Group operates, based on the space defense strategies established in 2025. Going forward, budget allocations by international organizations and national governments, as well as initiatives to strengthen collaboration with private companies in the defense-related sector, are expected to further accelerate and lead to potential project awards for the Group. The Group aims to further expand its business by leveraging its technological leadership, global development capabilities, and market-creating competitiveness.

Steady progress is also being made on existing projects, with ground testing progressing smoothly across multiple programs. In particular, APS-R is scheduled for launch during the fiscal year ending April 2027. In addition, in September 2026, subsequent to the end of the first quarter, a launch services agreement for ADRAS-J2 was signed with Isar Aerospace SE.

For LEXI-P, the project has entered the final stage toward contract execution. For CAT-IOD, preparations are also underway together with GMV, the Group’s partner company, to pursue the subsequent phase. With respect to COSMIC Phase 3, for which the Group had been aiming to secure a contract during the fiscal year ending April 2027, the Group had been confident in its competitiveness based on its technical track record and relationships with customers. However, in August 2026, subsequent to the end of the first quarter, the Group received notification from the UK Space Agency that the proposal submitted by the Company's consolidated subsidiary in the UK had not been selected. Nevertheless, the Group's business foundation in the UK remains strong, and the Group continues to pursue multiple business opportunities in the UK, including opportunities larger than COSMIC Phase 3. As COSMIC Phase 3 was not included in the assumptions underlying the consolidated financial forecasts for the fiscal year ending April 2027, there are no revisions to the consolidated financial forecasts as a result of the unsuccessful proposal.

In June 2026, the Company completed a fundraising of approximately ¥30.6 billion through the issuance of Zero Coupon

Convertible Bonds due 2029 through an international offering, as well as the issuance of new shares and Series 1 Unsecured Convertible Bonds through third-party allotments. The fundraising was undertaken with the primary goal to fund growth investment to drive business growth through building repeatable business, particularly in the defense sector and commercial life extension services. The proceeds are expected to be used for the expansion of production facilities, the manufacturing of the LEXI-P life extension service spacecraft, the maintenance and functional enhancement of existing facilities, and working capital.

Amid growing global momentum for policies that drive both government and commercial demand for space-related spending and on-orbit services, the Group is strengthening its business activities and technology development to expand global opportunities in on-orbit servicing.

As a result, for the three months ended July 31, 2026, bookings were ¥224,841 thousand, revenue was ¥1,195,723 thousand (down 4.4% year-on-year), operating loss was ¥2,750,012 thousand (operating loss of ¥2,376,063 thousand in the three months ended July 31, 2025), loss before income tax was ¥3,005,505 thousand (loss before income tax of ¥1,210,231 thousand in the three months ended July 31, 2025) mainly due to foreign exchange gain (finance income) of ¥22,718 thousand and interest expenses (finance costs) of ¥296,887 thousand, and loss attributable to owners of the parent was ¥3,071,715 thousand (loss attributable to owners of the parent of ¥1,211,251 thousand in the three months ended July 31, 2025).

For reference, project income* for the three months ended July 31, 2026 was ¥2,024,766 thousand (down 14.5% compared to the three months ended July 31, 2025), of which, government subsidy income was ¥829,042 thousand (down 25.9% compared to the three months ended July 31, 2025). In addition, adjusted EBITDA** was negative ¥2,477,901 thousand (adjusted EBITDA of negative ¥2,064,711 thousand for the three months ended July 31, 2025).

(*) We present above project income, which includes revenue from customers and government subsidy income only related to grants for which use is tied to specific projects. We believe project income provides investors with additional information in relation to the sources of income derived from our project-related activities, as we pursue a wide range of project activities regardless of the funding scheme. Management monitors project income as the primary indicator of income of project-related activities. Project income is not a financial measure prescribed by IFRS but is a supplemental financial measure that we believe is useful for investors to assess income derived from projects and their funding sources. However, non-IFRS measures have a number of important limitations and should not be viewed as a substitute for financial information prepared in accordance with IFRS. Due to the limitations inherent in non-IFRS measures, investors should not solely rely on non-IFRS measures in assessing our performance and financial condition.

(**) We present above adjusted EBITDA, which is calculated by adding depreciation and amortization expenses included in cost of sales and selling, general and administrative expenses and share-based payment expenses to operating loss. We believe adjusted EBITDA provides investors with additional information in evaluating the earnings-generating capability of our ongoing business activities by excluding the impact of non-cash expenses. Management monitors adjusted EBITDA as a key measure of the earnings-generating capability of our ongoing business activities. Adjusted EBITDA is not a financial measure prescribed by IFRS but is a supplemental financial measure that we believe is useful for investors to assess the earnings-generating capability of our ongoing business activities. However, non-IFRS measures have a number of important limitations and should not be viewed as a substitute for financial information prepared in accordance with IFRS, and our definition of adjusted EBITDA may not be comparable to similarly titled measures presented by other companies.

(2) Overview of Financial Position

Assets

Total assets were ¥57,907,105 thousand, an increase of ¥25,785,275 thousand from the end of the fiscal year ended April 30, 2026. This was mainly due to an increase of ¥24,930,992 thousand in cash and cash equivalents resulting from proceeds from issuance of convertible-bond-type bonds with share acquisition rights and shares, an increase of ¥525,459 thousand in property, plant and equipment and an increase of ¥530,525 thousand in intangible assets.

Liabilities

Total liabilities were ¥45,053,142 thousand, an increase of ¥20,589,061 thousand from the end of the fiscal year ended April 30, 2026. This was mainly due to an increase of ¥22,316,185 thousand in bonds, an increase of ¥1,254,901 thousand in deferred tax liabilities, an increase of ¥309,324 thousand in deferred income, a decrease of ¥595,900 thousand in trade and other payables, a decrease of ¥357,016 thousand in contract liabilities and a decrease of ¥2,301,990 thousand in borrowings.

Equity

Total equity was ¥12,853,963 thousand, an increase of ¥5,196,214 thousand from the end of the fiscal year ended April 30, 2026. This was mainly due to an increase of ¥2,926,958 thousand in share capital and ¥5,440,666 in capital surplus, as a result of the issuance of new shares and convertible-bond-type bonds with share acquisition rights and exercise of share acquisition rights, while retained earnings decreased by ¥3,071,715 thousand as a result of the loss for the period.

As a result, the ratio of equity attributable to owners of parent to total assets was 22.2%.

(3) Overview of Cash Flows

Cash and cash equivalents were ¥34,952,816 thousand, an increase of ¥24,930,992 thousand from the end of the fiscal year ended April 30, 2026.

Cash flow recorded through the three months ended July 31, 2026 and main factors are as follows:

Cash flow from operating activities

Cash flow from operating activities decreased our cash by ¥2,896,381 thousand (a decrease of ¥4,319,858 thousand in the three months ended July 31, 2025).

Cash flow from investing activities

Cash flow from investing activities decreased our cash by ¥1,327,428 thousand (a decrease of ¥1,886,399 thousand in the three months ended July 31, 2025). This was mainly due to purchase of property, plant and equipment of ¥777,079 thousand and purchase of intangible assets of ¥550,349 thousand.

Cash flow from financing activities

Cash flow from financing activities increased our cash by ¥29,174,012 thousand (an increase of ¥10,438,926 thousand in the three months ended July 31, 2025). This was mainly due to proceeds from issuance of convertible-bond-type bonds with share acquisition rights of ¥25,826,402 thousand, issuance of shares of ¥4,295,690 thousand and exercise of share acquisition rights of ¥1,465,031 thousand.

(4) Special note regarding forward-looking statements

The Group continues to focus on creating and expanding the on-orbit services (OOS) market as the global market leader with a significant competitive advantage in RPO technologies. The Group's long-term vision is to realize "secure and sustainable development of space for the benefit of future generations."

The long-term management policy to achieve this vision is as follows:

Since its founding through the 2010s, under an environment where the on-orbit servicing (OOS) market had yet to be established, the Group has contributed to market creation and rule-making through study projects and other initiatives, in collaboration with international organizations, national governments, space agencies, and commercial operators.

In the early 2020s, through operational missions such as ELSA-d and ADRAS-J, the Group successfully demonstrated, for the first time in the world as a private company, rendezvous and proximity operations (RPO) technologies, including approach and capture, of non-cooperative objects in orbit. Against the backdrop of these technological demonstrations, backlog has steadily grown across countries and regions, and the Group recognizes that it has become a global leading company in the on-orbit servicing market.

At present, as the next phase of its business growth, the Group is pursuing improved profitability through "repeatable business," to build a foundation for medium- to long-term growth. In the Group's context, "repeatable business" refer to missions and services that utilize existing platforms and technologies without requiring significant modification. Going forward, by repeatedly deploying core technologies and service platforms across multiple customers and projects through repeatable business, the Group aims to reduce new development costs on a per-project basis and evolve its business model into one that combines continuity, scalability, and profitability. In particular, defense-related projects and commercial life extension services are expected to contribute to the generation of repeatable business.

The Group also aims to achieve positive operating profit, and free cash flow as early as possible. To reach this goal, the Group will focus on:

(i) Increasing project income by accumulating backlog and shortening average project duration,

(ii) Improving gross margin by increasing the fully-funded project ratio and improving project mix, and

(iii) Ensuring profitability by controlling the increase rate of SG&A expenses through strict cost management.

As a long-term financial target, the Group aims for a gross profit margin in the mid-30% range and an operating profit margin in the mid-20% range.

The consolidated financial forecast for the fiscal year ending April 2027 is as follows. At the beginning of the fiscal year, due to the high uncertainty regarding the progress of contracted and selected projects, disclosure will be made using a range format to provide more useful and reasonable information to investors. The forecast figures consist only of contracted and awarded projects, and upward revisions will be made as new projects are awarded.

The backlog, which is the sum of contracted backlog and confirmed but uncontracted backlog, was ¥36,354 million as of the end of July 2026 (down 4.2% from the end of the previous fiscal year). With improving the fully-funded projects ratio and shortening the average project duration, project income—defined as the sum of revenue and government subsidy income—is expected to reach ¥12,500 million to ¥17,000 million (up 8.6% to 47.7% year-on-year). The upper bound reflects the scenario where contracted and selected projects progress without delay, while the lower bound accounts for potential impacts from project schedule delays and other external factors based on the fiscal year ended April 2026. At this point, uncontracted and unawarded new projects are not included even in the upper bound forecast. The breakdown of project income includes revenue of ¥7,000 million to ¥9,000 million (up 17.8% to 51.5% year-on-year) and government subsidy income of ¥5,500 million to ¥8,000 million (down 1.2% to up 43.7% year-on-year). The Group continue to aim for a positive gross profit for this fiscal year.

R&D expenses mainly consist of development costs for subsidy projects. Although development costs for subsidy projects will increase with project progress, the majority will be covered by government subsidy income, resulting in a flat year-on-year impact on operating profit.

SG&A expenses, excluding R&D expenses, are expected to increase slightly year-on-year due to the impact of higher yendenominated costs resulting from yen depreciation, but the Group aim to control the increase through strict cost management.

As a result, operating loss is expected to be between ¥9,900 million and ¥9,000 million (improvement of ¥75 million to ¥975 million year-on-year), and net loss is expected to be between ¥10,600 million and ¥9,600 million (increase in loss of ¥2,902 million to ¥3,902 million year-on-year).

2. Condensed Quarterly Consolidated Financial Statements and Main Notes

(1) Condensed Quarterly Consolidated Statement of Financial Position

(Thousands of yen)

	As of April 30, 2026	As of July 31, 2026
Assets		
Current assets		
Cash and cash equivalents	10,021,823	34,952,816
Trade and other receivables	1,616,497	1,576,389
Contract assets	2,507,369	2,728,368
Income taxes receivable	1,369,005	868,285
Other assets	2,516,820	2,636,189
Total current assets	18,031,516	42,762,049
Non-current assets		
Property, plant and equipment	11,063,327	11,588,787
Intangible assets	1,822,633	2,353,158
Goodwill	496,475	496,469
Other financial assets	681,353	680,512
Other assets	26,524	26,127
Total non-current assets	14,090,314	15,145,055
Total assets	32,121,830	57,907,105

(Thousands of yen)

	As of April 30, 2026	As of July 31, 2026
Liabilities and equity		
Liabilities		
Current liabilities		
Trade and other payables	2,425,524	1,829,623
Contract liabilities	4,738,744	4,381,727
Deferred income	3,091,914	3,401,238
Loans payable	5,376,960	3,099,960
Income taxes payable	4,880	5,807
Provisions	796,273	825,965
Lease liabilities	365,116	377,903
Other liabilities	308,049	340,781
Total current liabilities	17,107,461	14,263,007
Non-current liabilities		
Bonds	—	22,316,185
Loans payable	2,175,130	2,150,140
Provisions	2,111,026	2,123,223
Lease liabilities	2,652,716	2,527,937
Deferred tax liabilities	417,745	1,672,647
Total non-current liabilities	7,356,619	30,790,134
Total liabilities	24,464,081	45,053,142
Equity		
Share capital	9,217,711	12,144,669
Capital surplus	(1,664,106)	3,776,560
Retained earnings (deficit)	2,133,544	(927,653)
Treasury shares	—	(307)
Other components of equity	(2,029,399)	(2,139,305)
Total equity attributable to owners of parent	7,657,749	12,853,963
Non-controlling interests	—	—
Total equity	7,657,749	12,853,963
Total liabilities and equity	32,121,830	57,907,105

(2) Condensed Quarterly Consolidated Statement of Profit or Loss and Condensed Quarterly Consolidated Statement of Comprehensive Income

Condensed Quarterly Consolidated Statement of Profit or Loss

(Thousands of yen)

	Three months ended July 31, 2025	Three months ended July 31, 2026
Revenue	1,250,333	1,195,723
Cost of sales	(1,219,710)	(1,123,683)
Gross profit (loss)	30,623	72,040
Selling, general and administrative expenses	(3,713,676)	(3,780,757)
Other income	1,306,989	958,704
Operating profit (loss)	(2,376,063)	(2,750,012)
Finance income	1,330,941	41,394
Finance costs	(165,109)	(296,887)
Profit (loss) before tax	(1,210,231)	(3,005,505)
Income tax (expense) benefit	(1,020)	(66,209)
Profit (loss)	(1,211,251)	(3,071,715)
Profit (loss) attributable to:		
Owners of parent	(1,211,251)	(3,071,715)
Non-controlling interests	—	—
Profit (loss)	(1,211,251)	(3,071,715)
		(Yen)
Earnings per share		
Basic earnings (loss) per share	(9.23)	(22.13)
Diluted earnings (loss) per share	(9.23)	(22.13)

Condensed Quarterly Consolidated Statement of Comprehensive Income

(Thousands of yen)

	Three months ended July 31, 2025	Three months ended July 31, 2026
Profit (loss)	(1,211,251)	(3,071,715)
Other comprehensive income		
Items that may be reclassified to profit or loss		
Exchange differences on translation of foreign operations	(1,024,773)	(10,180)
Total of items that may be reclassified to profit or loss	(1,024,773)	(10,180)
Total other comprehensive income (loss)	(1,024,773)	(10,180)
Comprehensive income (loss)	(2,236,024)	(3,081,895)
Comprehensive income (loss) attributable to:		
Owners of parent	(2,236,024)	(3,081,895)
Non-controlling interests	—	—
Comprehensive income (loss)	(2,236,024)	(3,081,895)

(3) Condensed Quarterly Consolidated Statement of Changes in Equity

Three months ended July 31, 2025

(Thousands of yen)

	Equity attributable to owners of parent										
					Other components of equity						
	Share capital	Capital surplus	Retained earnings (deficit)	Treasury shares	Share acquisition rights	Financial assets measured at fair value through other comprehen-sive income	Exchange differences on translation of foreign operations	Total	Total	Non-controlling interests	Total equity
Balance as of May 1, 2025	10,297,486	9,836,585	(14,219,530)	–	481,296	(14,999)	(254,482)	211,813	6,126,355	–	6,126,355
Loss			(1,211,251)					–	(1,211,251)		(1,211,251)
Other comprehensive income (loss)							(1,024,773)	(1,024,773)	(1,024,773)		(1,024,773)
Total comprehensive income (loss)	–	–	(1,211,251)	–	–	–	(1,024,773)	(1,024,773)	(2,236,024)	–	(2,236,024)
Issuance of new shares	5,492,610	5,492,610						–	10,985,220		10,985,220
Share-based payment transactions					69,024			69,024	69,024		69,024
Exercise of share acquisition rights	2,369	2,369			(22)			(22)	4,717		4,717
Forfeiture of share acquisition rights			3,884		(3,884)			(3,884)	–		–
Share issuance costs		(363,401)						–	(363,401)		(363,401)
Total transactions with owners and other transactions	5,494,979	5,131,578	3,884	–	65,118	–	–	65,118	10,695,560	–	10,695,560
Balance as of July 31, 2025	15,792,465	14,968,164	(15,426,897)	–	546,414	(14,999)	(1,279,255)	(747,841)	14,585,890	–	14,585,890

Three months ended July 31, 2026

(Thousands of yen)

	Equity attributable to owners of parent										
					Other components of equity						
	Share capital	Capital surplus	Retained earnings (deficit)	Treasury shares	Share acquisition rights	Financial assets measured at fair value through other comprehensive income	Exchange differences on translation of foreign operations	Total	Total	Non-controlling interests	Total equity
Balance as of May 1, 2026	9,217,711	(1,664,106)	2,133,544	－	660,256	(14,999)	(2,674,656)	(2,029,399)	7,657,749	－	7,657,749
Loss			(3,071,715)					－	(3,071,715)		(3,071,715)
Other comprehensive income (loss)							(10,180)	(10,180)	(10,180)		(10,180)
Total comprehensive income (loss)	－	－	(3,071,715)	－	－	－	(10,180)	(10,180)	(3,081,895)	－	(3,081,895)
Issuance of new shares	2,149,838	2,149,838						－	4,299,677		4,299,677
Issuance of convertible-bond-type bonds with share acquisition rights		2,517,694						－	2,517,694		2,517,694
Purchases of treasury shares				(307)				－	(307)		(307)
Exercise of share acquisition rights	777,119	777,119			(89,207)			(89,207)	1,465,031		1,465,031
Forfeiture of share acquisition rights			10,517		(10,517)			(10,517)	－		－
Share issuance costs		(3,986)						－	(3,986)		(3,986)
Total transactions with owners and other transactions	2,926,958	5,440,666	10,517	(307)	(99,724)	－	－	(99,724)	8,278,109	－	8,278,109
Balance as of July 31, 2026	12,144,669	3,776,560	(927,653)	(307)	560,531	(14,999)	(2,684,836)	(2,139,305)	12,853,963	－	12,853,963

(4) Condensed Quarterly Consolidated Statement of Cash Flows

(Thousands of yen)

	Three months ended July 31, 2025	Three months ended July 31, 2026
Cash flows from operating activities		
Profit (loss) before tax	(1,210,231)	(3,005,505)
Depreciation and amortization of intangible assets	242,327	273,092
Decrease (increase) in trade and other receivables	(695,659)	(626,192)
Increase (decrease) in trade and other payables	387,950	(981,796)
Increase (decrease) in provisions	(528,361)	39,117
Share-based payment expenses	69,024	—
Interest income	(9,599)	(18,675)
Interest expenses	165,109	296,887
Government subsidy income	(1,304,988)	(956,249)
Foreign exchange loss (gain)	(1,304,894)	13,327
Other	—	77
Subtotal	(4,189,323)	(4,965,917)
Interest received	9,202	18,279
Interest paid	(138,528)	(71,531)
Proceeds from government subsidy income	—	2,123,998
Income taxes refund (paid)	(1,210)	(1,210)
Net cash used in operating activities	(4,319,858)	(2,896,381)
Cash flows from investing activities		
Purchase of property, plant and equipment	(1,852,174)	(777,079)
Purchase of intangible assets	(5,034)	(550,349)
Payments of leasehold deposits	(39,590)	—
Proceeds from refund of leasehold deposits	10,400	—
Net cash used in investing activities	(1,886,399)	(1,327,428)

Cash flows from financing activities		
Proceeds from issuance of shares	10,621,818	4,295,690
Proceeds from exercise of share acquisition rights	4,717	1,465,031
Net increase (decrease) in short-term loans payable	(100,000)	(2,277,000)
Repayments of long-term borrowings	(24,990)	(24,990)
Proceeds from issuance of convertible-bond-type bonds with share acquisition rights	—	25,826,402
Repayments of lease liabilities	(62,619)	(110,814)
Purchases of treasury shares	—	(307)
Net cash provided by financing activities	10,438,926	29,174,012
Effect of exchange rate changes on cash and cash equivalents	277,350	(19,209)
Net increase (decrease) in cash and cash equivalents	4,510,019	24,930,992
Cash and cash equivalents at the beginning of period	21,300,864	10,021,823
Cash and cash equivalents at the end of period	25,810,884	34,952,816

(5) Notes to Condensed Quarterly Consolidated Financial Statements

1. Notes Concerning Going Concern Assumption

Not applicable.

2. Segment Information

(1). Overview of reportable segment

The Group undertakes research and development in technologies regarding on-orbit services such as debris removal and demonstrations in outer space.

These on-orbit services developed by the Group have common underlying technologies, though there are different types depending on the orbits on which target debris or satellites exist, and service contents provided with targeting them. Accordingly, the Group's senior management decision-making body reviews operating results to determine the allocation of management resources and evaluate the business performance, targeting the entire on-orbit servicing business. Therefore, the Group considers the business segment as a single segment of the on-orbit servicing business and single reportable segment, and omitted information by reportable segment.

(2). Information about products and services

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

(Thousands of yen)

	Three months ended July 31, 2025	Three months ended July 31, 2026
Project revenue (Note 1)	1,247,940	1,192,418
Other revenue (Note 2)	2,392	3,305
Total	1,250,333	1,195,723

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 sponsorships such as logo placement.

3. Significant subsequent events

Not applicable.

3. Supplementary Information

(1) Bookings and Backlog

The Group considers the business segment as a single segment of the on-orbit servicing business. The bookings and backlog for the three months ended July 31, 2026, are as follows. (Note 1)

(Thousands of yen)

	Fiscal year ended April 30, 2026	Three months ended July 31, 2026	
	Backlog	Bookings	Backlog
On-orbit servicing business	27,435,451	224,841	25,851,354
Total	27,435,451	224,841	25,851,354

Notes:

1. Bookings represents the total contract amount (including amounts paid and contracted to be paid to us) under contracts that were executed in a particular fiscal period. Backlog represents the total amount of bookings for all prior periods that had not yet been recorded as revenue or government subsidy income as of a particular date. If our progress of technological development and other conditions that are stipulated in the contracts are not fulfilled, a portion of the milestone payments to be paid for our provision of services may not be paid, and as such, we may not actually recognize such revenue or government subsidy income in the amounts shown or at all.
2. Expected backlog from non-competitive follow-on phases represents anticipated contract amounts for project phases as to which we have not entered into a binding contract, but as to which we are not currently aware of any other competitor. ISSA-J1 Phase 3 meets this definition and the amount is expected to be ¥3,808 million (as of the end of the three months ended July 31, 2026). In addition, on January 22, 2025, Astroscale Japan Inc. has been selected as a contractor for the research and development (R&D) concept for "Refueling Technology Contributing to Satellite Life Extension" under Key and Advanced Technology R&D through Cross Community Collaboration Program (K Program). Following signing of the contract for the above K Program on September 1, 2025, the total budget for this project (Project name: REFLEX-J) has been set at a maximum of ¥10,826 million (excluding tax), and the expected contract amount, excluding the executed first-year contract amount of ¥1,067 million and the second-year contract amount of ¥3,064 million, is ¥6,693 million. There can be no assurance that we will be able to enter into binding contracts, and the actual contract amounts based on the final agreements may differ from the expected contract amounts, even if we are awarded for such phases at all, since the contracts for the follow-on phases and the awarded projects have not yet been signed.
3. For reference, a simple sum of the backlog at the end of the three months ended July 31, 2026 and the expected backlog and the expected contract amount at the end of the three months ended July 31, 2026 in Note 2 is ¥36,354,024 thousand. We may not actually recognize such revenue or government subsidy income in the amounts shown or at all for the reasons stated in Notes 1 to 2.