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December 16, 2025

Company name: Axelspace Holdings Corporation
Representative: Yuya Nakamura, President and CEO
(Securities code: 402A, Tokyo Stock Exchange Growth Market)
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**Notice of Signing a Service contract
for In-Orbit Demonstration with Pale Blue Inc.**

We hereby announce that our consolidated subsidiary, Axelspace Corporation, has entered into a service agreement with Pale Blue Inc. ("Pale Blue"), a company that develops, manufactures, and sells thrusters (engines) for small satellites, for an in-orbit demonstration, as detailed below.

1. Details of the Counterparty

(1) Company name	Pale Blue Inc.	
(2) Address	Room 101,MITSUI LINK-Lab KASHIWANOHA 1, 6-6-2 Kashiwanoha, Kashiwa, Chiba, Japan	
(3) Representative	Jun Asakawa (Representative Director)	
(4) Capital	JPY 100 million	
(5) Business overviews	Development, manufacturing, and sales of propulsion systems for small satellites	
(6) Established	2020	
(7) Relationship with the Company	Capital relationship	Not applicable
	Personal relationship	Not applicable

	Business relationship	Agreement for the Development and Manufacturing of Thrusters for Microsatellites Manufactured by Axelspace, and Memorandum of Understanding Regarding Future collaboration
	Status as a related party	Not applicable

Note: Certain items, including major shareholders and ownership ratios, are not disclosed as Pale Blue is an unlisted company.

2. Overview of the Contract

Our group provides AxelLiner Laboratory (AL Lab), a new service originating from the AxelLiner business, which is specialized in in-orbit demonstration of space components.

Under this contract, an in-orbit demonstration of a fast-start Hall thruster developed by Pale Blue is scheduled to be conducted in 2027.

3. Contract Details and Schedule

(1) Contract	In-orbit demonstration service agreement for a Hall thruster
(2) Total contract amount	Not disclosed
(3) Contract Period	From December 16, 2025, for a multi-year term
(4) Date of Resolution at Board of Directors meeting	December 16, 2025
(5) Date of Contract Execution	December 16, 2025

Details of the contract amount are not disclosed due to the necessity of protecting business confidentiality.

4. Impact on Financial Performance

With respect to this agreement, revenue will be recognized over a certain period as performance obligations are satisfied from the commencement to the completion of the contract, in accordance with the percentage-of-completion method.

While the total contract amount is not disclosed at the request of the counterparty, this disclosure is made because the impact on consolidated net sales for the fiscal year ending May 2026 is expected to exceed 10% of consolidated net sales for the fiscal year ended May 2025.

This contract has already been reflected in the financial forecast for the fiscal year ending May 2026 announced on August 13, 2025, after applying certain assumptions, and the impact on the financial forecast is expected to be immaterial.

Should it become clear that this matter will have a material impact on future financial performance, we will promptly disclose such information.

5. Appendix

Jun Asakawa, Co-Founder and CEO of Pale Blue, commented;

We are deeply honored to have signed a demonstration contract with Axelspace for the 2027 in-orbit demonstration of our compact Hall thruster, “PBH-100.” We will validate the product’s key features—high thrust, high specific impulse, and rapid startup performance—in space. Through this demonstration, we aim to further deepen the strong partnership we have built with Axelspace through the development and manufacturing of propulsion systems, and contribute to the expansion of the small satellite market.

Website : <https://pale-blue.co.jp/jpn/>

Yuya Nakamura, President and CEO, Axelspace Corporation, commented;

We are delighted to announce our agreement with Pale Blue to perform the critical in-orbit demonstration of their compact Hall thruster, executing this technology validation utilizing our proprietary Axelliner Laboratory platform. By facilitating the rapid path to orbit and offering our extensive expertise—derived from our own experience as a satellite component user—we are actively supporting Pale Blue’s efforts to accelerate their global business expansion



Jun Asakawa, Co-founder & CEO of Pale Blue (left in photo) and Yuya Nakamura, President and CEO of Axelspace