

This document has been translated from the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.



October 6, 2026

Company name: Axelspace Holdings Corporation  
Representative: Yuya Nakamura, President and CEO  
(Securities code: 402A, Tokyo Stock Exchange Growth Market)  
Inquiries: Daigo Orihara, Director  
(Tel.: +81-3-6704-8708)

**(Update on a Previous Disclosure) Update on the Anomaly of “GRUS-3”  
Microsatellites in the AxelGlobe Business and Establishment of the “GRUS-3  
Anomaly Review Advisory Board”**

Axelspace Holdings Corporation (the “Company”) hereby announces an update regarding the anomaly of the “GRUS-3” microsatellites and the establishment of the “GRUS-3 Anomaly Review Advisory Board.”

As announced in the “Notice Regarding Anomaly of ‘GRUS-3’ Microsatellites for the AxelGlobe Business” dated September 29, 2026, Axelspace Corporation (“Axelspace”), a consolidated subsidiary of the Company, confirmed an anomaly in the high-speed communication systems of four of the seven “GRUS-3” microsatellites launched on July 7, 2026 (JST), and subsequently reported its conclusion that restoring the high-speed communication systems and commencing commercial operations as originally planned would be difficult.

Axelspace has continued its investigation into the cause of the anomaly and has determined that the anomaly in the high-speed communication systems constitute a permanent failure and that, for the four affected satellites, commercial operations involving the downlink of image data through the high-speed communication systems as originally planned would be difficult. Accordingly, at a meeting of the Board of Directors held today, the Company resolved to record an extraordinary loss.

In addition, in order to obtain an objective assessment of the presumed cause of the anomaly and the appropriateness of the measures to be applied to satellites scheduled for future launches, the Company has decided to establish the “GRUS-3 Anomaly Review Advisory Board” (the “Advisory Board”), comprising external experts.

## **1. Update on the Anomaly of “GRUS-3”**

### **Background Leading Up to the Disclosure of the Anomaly**

Axelspace completed critical operations to verify the in-orbit health of the seven “GRUS-3” satellites on July 10, following their launch on July 7. Axelspace subsequently commenced initial operations, including attitude control checks, verification of onboard equipment functionality, and integrated system testing, to prepare the satellites for the provision of the planned image data services.

During the initial operations phase of a satellite, temporary anomalies may occur due to factors such as the space environment or inappropriate system settings. In such cases, recovery operations are conducted to restore normal functionality, including restarting or reconfiguring equipment and, where necessary, reprogramming software.

With respect to the anomaly in the high-speed communication systems, Axelspace investigated the issue in parallel with verification and recovery efforts aimed at restoring normal functionality as part of the initial operations. However, it became apparent that the issue was not a temporary anomaly but potentially a permanent failure of the high-speed communication systems, and because Axelspace reported its conclusion that recovery and the planned commercial operations would be difficult, the Company made the announcement on September 29.

### **Axelspace’s Assessment of the Cause**

Axelspace presumes damage to the power amplifier within the high-speed transmitter used to downlink captured image data to be the most likely cause of the anomaly.

The satellites are generally equipped with two separate communication systems. One is a communication system used for satellite control operations (the “low-speed communication system”), which transmits and receives relatively small amounts of data used to monitor the health of the satellites from the ground and to receive commands from the ground, including information on satellite voltage, temperature, position and attitude, and the operational status of onboard equipment (collectively, “telemetry data”). The other is a communication system used to transmit large volumes of mission data, such as captured images, to ground stations at high speed (the “high-speed communication system”).

Both the high-speed and low-speed communication systems transmit data over long distances from space to the ground. However, the high-speed communication system must transmit data at a higher speed and therefore uses higher-frequency radio waves and a higher-power amplifier than the low-speed communication system to amplify radio-frequency signals before transmitting them to ground stations via an antenna.

Based on the analysis of the telemetry data from the four affected satellites and the verification test on ground, Axelspace presumes that insufficient thermal dissipation from the power amplifier caused the internal amplifier IC (an electronic component within the power amplifier that amplifies electrical power) to reach abnormally high temperatures and sustain damage.

## **Outlook for Operations**

The amplifier ICs used in the affected power amplifiers are also installed on Axelspace's "GRUS-1" satellites and have a track record of normal operation to date. Axelspace's findings suggest that there was likely an issue with the thermal design associated with the design changes made to the high-speed communication systems installed on "GRUS-3."

The three satellites that have not experienced the anomaly use the same design. For these satellites, Axelspace will seek to downlink data for commercial operations while preventing excessive temperature increases in the power amplifiers in the vacuum environment of space by reducing the power consumption and shortening communication durations.

As Axelspace has decided to conduct these operations carefully on a satellite-by-satellite basis, the planned commencement of commercial operations for these three satellites will also be postponed by two months from the previous target of commencing operations by the end of 2026, with commercial operations now targeted to commence in February 2027.

With respect to the four affected satellites, onboard systems other than the high-speed communication systems are operating normally. Accordingly, Axelspace does not intend to immediately deorbit these satellites and will consider potential commercial uses, including the possibility of providing images that can be obtained through the low-speed communication systems and utilizing telemetry data obtained from the satellites.

In response to these issues, Axelspace will implement modifications to the high-speed communication systems for satellites to be developed in the future.

The "GRUS-3" microsattellites are designed to be used for Earth observation for five years in low Earth orbit. In light of this incident, Axelspace will review its development processes and continue building its microsattellite optical constellation while pursuing the best measures currently available to improve the quality and reliability of satellites scheduled for future launches.

## **2. Purpose and Background of Establishing the Advisory Board**

The Company takes seriously the anomaly in the high-speed communication systems of four of the seven "GRUS-3" satellites, as well as the postponement of the commencement of commercial operations using the three satellites that have not experienced the anomaly.

The Company has therefore determined that it is necessary to obtain opinions from independent third-party perspectives regarding its cause analysis, countermeasures, and other related matters, and has decided to establish the Advisory Board.

The main objectives of the Advisory Board are as follows:

- To review, from a third-party perspective, Axelspace's internal technical analysis of the factors behind the high-speed communication systems anomaly affecting four "GRUS-3" satellites, as well as the validity of the countermeasures to be applied to satellites scheduled for future launches, and to obtain additional insights regarding relevant technical and systemic factors; and

- To obtain opinions from a third-party perspective regarding Axelspace's satellite project management structure in connection with this incident and, by disclosing such opinions transparently, maintain relationships of trust with all stakeholders, including shareholders, customers, and government organizations.

### **3. Planned Activities of the Advisory Board**

Axelspace will compile a report covering the technical information concerning the anomaly, its cause analysis, and future countermeasures, and will submit the report to the Advisory Board.

Based on the report, the Advisory Board will provide recommendations from a third-party perspective. In response to these recommendations, Axelspace will conduct additional investigations and testing as necessary and update its future countermeasures accordingly.

The final report is expected to be completed approximately one and a half months after the members of the Advisory Board have been finalized.

The members of the Advisory Board will be announced promptly once they have been confirmed.

### **4. Impact on Financial Results**

As the Company has determined that it will be difficult to conduct the originally planned commercial operations involving the provision of image data from the four affected satellites, the Board of Directors resolved at its meeting held today to record an extraordinary loss.

In addition, as the schedule for the commencement of commercial operations for the three satellites that have not experienced the anomaly has been postponed, the Company has revised its consolidated financial forecast.

For details, please refer to the "Notice Regarding Revision of Consolidated Financial Forecast and Recording of Extraordinary Loss for the Fiscal Year Ending May 2027" announced today.

## **[For Reference] Questions Received from Shareholders Regarding the Anomaly of “GRUS-3” Microsatellites in the AxelGlobe Business and the Company’s Responses**

Since the announcement of the “Notice Regarding Anomaly of ‘GRUS-3’ Microsatellites for the AxelGlobe Business” dated September 29, 2026, the Company has received numerous inquiries from shareholders and investors regarding this matter. Accordingly, the Company hereby provides the principal questions received and its responses as of October 6, including anticipated questions regarding today’s disclosures.

The Company intends to continue providing similar disclosures, as appropriate, regarding matters on which it receives a significant number of questions. Although there may be slight differences between the timing of questions received and the content of the Company’s responses, the Company will continue to provide information on an ongoing basis from the perspectives of enhancing transparency in its communications and ensuring fair disclosure.

### **Questions and Answers**

**Q. Does this mean that the Company has given up on the originally planned commercial operations of the four affected satellites? Is there no prospect of restoring them to normal operation?**

A. We have concluded that we will not be able to provide data as originally planned using the high-speed communication systems. However, as equipment other than the high-speed communication systems is operating normally, we do not intend to immediately deorbit these satellites. We will consider potential commercial uses, including the possibility of providing images that can be obtained through the low-speed communication systems and utilizing telemetry data obtained from the satellites.

**Q. Does the Company still plan to commence commercial operations of the three remaining satellites by the end of 2026 as previously planned?**

A. The three satellites that have not experienced the anomaly use the same design. For these satellites, we will seek to carry out the data downloads required for commercial operations while preventing excessive temperature increases in the power amplifiers in the vacuum environment of space by reducing the power consumption of the power amplifiers and shortening communication durations.

As we have decided to conduct these operations carefully on a satellite-by-satellite basis, we have postponed the planned commencement of commercial operations for these three satellites by two months from the previous target of commencing operations by the end of 2026 and now aim to commence commercial operations in February 2027.

**Q. Is there a possibility that the power amplifiers in the low-speed communication systems could experience a similar anomaly?**

A. The low-speed communication systems use power amplifiers that are different from those used in the high-speed communication systems. As of this time, no similar issue has been identified in the low-speed communication systems.

**Q. The Company today announced the “(Update on a Previous Disclosure) Notice Regarding Commencement of Discussions Concerning the In-Orbit Demonstration Service Agreement with Pale Blue Inc.” Is this related to the “GRUS-3” anomaly?**

A. The “GRUS-3” anomaly is not related to this matter. Pale Blue Inc. determined that it would be difficult to ensure the commercial viability of the project in light of technical issues arising with the satellite being developed by Axelspace for this project.

**Q. What impact will this have on projects for which orders have already been received, including the Ministry of Defense’s “Satellite Constellation Project”?**

A. In the AxelGlobe Business, we have revised our revenue forecast for the current fiscal year (the fiscal year ending May 2027) from approximately ¥6.0 billion to approximately ¥4.2 billion. For details, please refer to the “Notice Regarding Revision of Consolidated Financial Forecast and Recording of Extraordinary Loss for the Fiscal Year Ending May 2027” announced today.

We are considering all available measures to mitigate the impact on the AxelGlobe Business resulting from the anomaly affecting four satellites. If any matter requiring disclosure arises, we will promptly make an announcement. We refrain from commenting on the extent of the impact on individual projects, including the Ministry of Defense project.

**Q. To what extent does the Company expect to be able to maintain the service levels originally anticipated with the seven “GRUS-3” microsatellites, including imaging capacity, imaging frequency, and image data delivery capacity?**

A. We are currently assessing the impact in detail and are therefore unable to provide a specific answer at this time. However, we expect imaging capacity to be affected in accordance with the number of satellites available for operations.

**Q. Is there a possibility that a similar anomaly could occur in high-resolution satellites and other satellites scheduled for future launches?**

A. Based on the cause of the current anomaly, we will modify satellites scheduled for future launches, including improvements to the thermal design of the high-speed communication systems in which the anomaly occurred, in order to prevent similar anomaly.

In addition, through the “GRUS-3 Anomaly Review Advisory Board,” which the Company decided to establish today, we will obtain an objective assessment of the validity of Axelspace’s assessment of the causes of the anomaly and its proposed countermeasures for satellites scheduled for future launches.

Through these measures, we will work to improve the quality and reliability of satellites scheduled for future launches.

**Q. Will the current anomaly be covered by insurance?**

A. The insurance coverage obtained for “GRUS-3” does not cover the current anomaly.

**Q. Will this affect the Company's plan to operate a constellation of approximately 30 satellites by the end of the fiscal year ending May 2031?**

A. At this time, we do not plan to revise this plan. If any matter requiring disclosure arises, we will promptly make an announcement.

**Q. Has this incident affected any existing partnerships under MOUs or LOIs?**

A. As of this time, there has been no impact on customers with whom we have entered into MOUs or LOIs in the AxelGlobe Business.

**Important Notice**

To prevent the leakage of financial results information and ensure fair disclosure, the Company designates the period from the day following the end of each quarterly reporting period until the date of the corresponding financial results announcement as a "Quiet Period." During this period, the Company refrains from responding to questions or making comments regarding its financial results. We appreciate your understanding.

However, even during a Quiet Period, if a material event that may affect investment decisions occurs or is determined, the Company will disclose such information fairly and promptly in accordance with the timely disclosure rules.

The Company responds to inquiries submitted through its website and other channels in due course. However, please note that we are unable to respond to inquiries or submissions that fall under any of the following categories:

- Inquiries regarding non-public information  
Examples include recent business performance and trends; the content or timing of future disclosures; the status of individual business negotiations; plans to participate in exhibitions or trade shows; the status of applications for publicly solicited projects; the operational status of individual satellites; launch dates and times of satellites and launch vehicles prior to public announcement; and the development and manufacturing status of satellites.
- Inquiries concerning matters that may constitute "Material Facts" as defined in Article 166 of the Financial Instruments and Exchange Act
- Inquiries regarding share price movements or other movements in the stock market
- Inquiries containing defamatory or abusive content
- Opinions or comments

Any response provided by the Company is intended solely for the individual who submitted the inquiry. The unauthorized reproduction or secondary use, in whole or in part, of any response provided by the Company, or disclosure of such response to any person other than the individual who submitted the inquiry, is strictly prohibited.