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October 6, 2026

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**Notice Regarding Revision of Consolidated Financial Forecast
and Recording of Extraordinary Loss for the Fiscal Year Ending May 2027**

Axelspace Holdings Corporation ("the Company") hereby announces that the Company has decided to revise the consolidated financial forecast for the fiscal year ending May 2027 (June 1, 2026 – May 31, 2027) disclosed on July 14, 2026.

1.Reasons for the Revision of Consolidated Financial Forecast

As announced in the "Notice Regarding a Malfunction 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, the Company has decided to record an impairment loss of ¥1,879 million as an extraordinary loss for the first quarter of the fiscal year ending May 2027.

In addition, as announced today in the "(Update on a Previous Disclosure) Notice Regarding Commencement of Discussions Concerning the In-Orbit Demonstration Service Agreement with Pale Blue Inc.," Axelspace has received written notice concerning the termination of the in-orbit demonstration service agreement with Pale Blue Inc. ("Pale Blue"), which was

announced in the “Notice of Signing a Service Contract for In-Orbit Demonstration with Pale Blue Inc.” dated December 16, 2025, and commenced discussions regarding the agreement on October 6.

In light of these matters, at a meeting of the Board of Directors held today, the Company resolved to revise its consolidated financial forecast for the fiscal year ending May 2027 (June 1, 2026 to May 31, 2027), which was announced on July 14, 2026 (the “previous forecast”), as described below.

2. Revision of Consolidated Financial Forecasts for the Fiscal Year Ending May 2027 (June 1, 2026 – May 31, 2027)

	Revenue	Total Revenue (Non-GAAP)*	Operating Profit (Loss)	Ordinary Profit (Loss)	Net Income (Loss) Attributable to Owners of Parent	Net Income (Loss) per Share
Previous forecast (A)	Million yen 9,000	Million yen 10,210	Million yen -800	Million yen -150	Million yen -240	Yen -3.60
Revised forecast (B)	6,700	7,910	-2,300	-1,700	-3,650	-54.72
Change (B-A)	-2,300	-2,300	-1,500	-1,550	-3,410	-51.12
Change (%)	-25.56	-22.53	-	-	-	-
(Reference) Results for the previous fiscal year ended May 2026 (C)	2,508	2,995	-3,822	-3,712	-4,057	-65.84
Change (B-C)	4,191	4,914	1,522	2,012	407	11.12
Change (%)	167.11	164.06	-	-	-	-

Note : Total Revenue is a Non-GAAP measure and is a financial metric that the Company considers useful for investors in evaluating the performance of the Group. It is calculated by adding subsidy income from government agencies and other sources to revenue.

Breakdown by Segment

	AxelLiner Business			AxelGlobe Business		
	Revenue	Segment Profit (Loss) *	Profit	Revenue	Segment Profit (Loss)	Profit
Previous forecast (A)	Million yen 2,920	Million yen -770		Million yen 6,080	Million yen 3,400	
Revised forecast (B)	2,460	-1,240		4,240	1,970	
Change (B-A)	-460	-470		-1,840	-1,430	
Change (%)	-15.75	-		-30.26	-42.06	
(Reference) Results for the previous fiscal year ended May 2026 (C)	1,522	-277		986	-1,595	
Change (B-C)	937	-962		3,253	3,565	
Change (%)	61.60	-		329.97	-	

Note: Segment profit (loss) is reconciled to ordinary loss in the consolidated financial statements.

With respect to revenue, due to the anomaly affecting some of the “GRUS-3” satellites used in the AxelGlobe Business, the provision of imagery in the AxelGlobe Business is now expected to be delayed compared with the Company’s previous assumptions. In addition, in the AxelLiner Business, Axelspace received written notice concerning the termination of the in-orbit demonstration service agreement with Pale Blue and has commenced discussions regarding the agreement. Accordingly, after incorporating the maximum impact currently estimated, the Company has revised the previously announced forecast downward.

For details regarding developments concerning the “GRUS-3” anomaly, please refer to the “(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” announced today.

The four affected “GRUS-3” satellites had been recorded as assets used in the AxelGlobe business. Following careful consideration of their future recoverability in accordance with the Accounting Standard for Impairment of Fixed Assets, the Company has recorded an impairment loss of ¥1,879 million as an extraordinary loss in the AxelGlobe Business for the first quarter of the fiscal year ending May 2027.

As a result, the forecast for net loss attributable to owners of the parent has been revised downward from ¥240 million in the previously announced forecast to ¥3,650 million.

(Cautionary Note Regarding Forward-Looking Statements)

The forward-looking statements contained in this document, including financial forecasts, are based on information available to our Group as of the date of this document's release and on certain assumptions deemed reasonable. Because forward-looking statements inherently involve risks and uncertainties, actual results may differ due to various factors.