

Note: 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.

February 10, 2022

Consolidated Financial Results for the Fiscal Year Ended December 31, 2021 (Under IFRS)

Company name: MODEC, INC.
 Listing: Tokyo Stock Exchange
 Securities code: 6269
 URL: <http://www.modec.com>
 Representative: Takeshi Kanamori, President & CEO
 Inquiries: Yasuhiro Takano, Executive Managing Officer
 Telephone: +81-3-5290-1200
 Scheduled date of annual general meeting of shareholders: March 29, 2022
 Scheduled date to commence dividend payments: —
 Scheduled date to file annual securities report: March 29, 2022
 Preparation of supplementary material on financial results: Yes
 Holding of financial results briefing: Yes (for institutional investor • analyst)

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

1. Consolidated financial results for the fiscal year ended December 31, 2021 (from January 1, 2021 to December 31, 2021)

(1) Consolidated operating results

(Percentages indicate year-on-year changes.)

Fiscal year ended	Revenue		Operating profit		Profit before tax		Profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
December 31, 2021	448,510	42.5	(36,521)	-	(39,597)	-	(41,394)	-
December 31, 2020	314,734	-	(15,908)	-	(13,314)	-	(15,378)	-

Fiscal year ended	Profit attributable to owners of parent		Total comprehensive income		Basic earnings per share	Diluted earnings per share
	Millions of yen	%	Millions of yen	%	Yen	Yen
December 31, 2021	(41,860)	-	(33,780)	-	(742.75)	(742.44)
December 31, 2020	(15,170)	-	(22,888)	-	(269.22)	(269.12)

Fiscal year ended	Return on equity attributable to owners of parent	Ratio of profit before tax to total assets	Ratio of operating profit to revenue
	%	%	%
December 31, 2021	(52.7)	(10.4)	(8.1)
December 31, 2020	(13.7)	(3.6)	(5.1)

Reference: Share of profit (loss) of investments accounted for using equity method

For the fiscal year ended December 31, 2021: ¥3,370 million
 For the fiscal year ended December 31, 2020: ¥6,531 million

(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	Equity attributable to owners of parent per share
As of	Millions of yen	Millions of yen	Millions of yen	%	Yen
December 31, 2021	393,971	63,802	61,247	15.5	1,086.67
December 31, 2020	365,378	99,811	97,636	26.7	1,732.57

(3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
Fiscal year ended	Millions of yen	Millions of yen	Millions of yen	Millions of yen
December 31, 2021	17,509	(25,364)	30,588	93,173
December 31, 2020	34,755	(715)	(14,962)	70,978

Note: The original consolidated financial statements of MODEC, INC. (hereinafter "the Company") for the year ended December 31, 2021 and 2020 is presented in US dollars. For easy reference, the amount presented for consolidated operating results, consolidated financial position, and consolidated cash flow are converted into Japanese yen at 115.01 yen, which is from the TTM rate of Sumitomo Mitsui Banking Corporation as of December 30, 2021.

2. Cash dividends

	Annual dividends per share					Total cash dividends (Total)	Payout ratio (Consolidated)	Ratio of dividends to equity attributable to owners of parent (Consolidated)
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total			
Fiscal year ended December 31, 2020	Yen -	Yen 23.75	Yen -	Yen 21.25	Yen 45.00	Millions of yen 2,538	% -	% 2.3
Fiscal year ended December 31, 2021	-	15.00	-	0.00	15.00	846	-	1.1
Fiscal year ending December 31, 2022 (Forecast)	-	-	-	-	-		-	

3. Earnings forecast for FY2022 (January 1, 2022 – December 31, 2022)

	Revenue		Operating profit		Profit before tax		Profit		Profit attributable to owners of parent		Basic earnings (loss) per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full Year	276,024	-38.5	-	-	3,450	-	2,530	-	2,530	-	44.89

Note: The consolidated earnings forecast of the Company is presented in US dollars. For easy reference, the amount presented for the consolidated earnings forecast for the fiscal year ended December 31, 2022 is converted into Japanese yen at 115.01 yen, which is from the TTM rate of Sumitomo Mitsui Banking Corporation as of December 30, 2021.

* **Notes**

- (1) Changes in significant subsidiaries during the period (changes in specified subsidiaries resulting in the change in scope of consolidation): None
- (2) Changes in accounting policies and changes in accounting estimates
- (a) 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 December 31, 2021	56,408,000 shares
As of December 31, 2020	56,408,000 shares

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

As of December 31, 2021	45,100 shares
As of December 31, 2020	54,232 shares

- (iii) Average number of shares outstanding during the period

Fiscal year ended December 31, 2021	56,359,561 shares
Fiscal year ended December 31, 2021	56,351,663 shares

[Reference] Overview of non-consolidated financial results

1. Non-consolidated financial results for the fiscal year ended December 31, 2021 (from January 1, 2021 to December 31, 2021)

(1) Non-consolidated operating results

(Percentages indicate year-on-year changes.)

Fiscal year ended	Net sales		Operating profit		Ordinary profit		Profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
December 31, 2021	358,045	54.6	(5,800)	-	(4,051)	-	(66,539)	-
December 31, 2020	231,587	4.1	(616)	-	377	(90.9)	(1,954)	-

Fiscal year ended	Basic earnings per share	Diluted earnings per share
	Yen	Yen
December 31, 2021	(1,180.63)	(1,180.14)
December 31, 2020	(34.68)	(34.67)

(2) Non-consolidated financial position

As of	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
December 31, 2021	265,068	17,470	6.6	309.97
December 31, 2020	272,458	87,865	32.2	1,559.17

Reference: Equity

As of December 31, 2021: ¥17,470 million

As of December 31, 2020: ¥87,865 million

Note: Non-consolidated financial results are calculated based on Japan GAAP

* Financial results reports are exempt from audit conducted by certified public accountants or an audit corporation.

* Proper use of earnings forecasts, and other special matters

The Company has adopted International Financial Reporting Standards (hereinafter "IFRS") from the year ended December 31, 2021 of the consolidated fiscal year. Therefore, the figures for the consolidated fiscal year ended December 31, 2020 are also disclosed in accordance with IFRS.