

May 11, 2023

Consolidated Financial Results for the Three Months Ended March 31, 2023 (IFRS)

Company name: MODEC, INC.
 Listing: Tokyo Stock Exchange
 Securities code: 6269
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 Scheduled date to file quarterly securities report: May 12, 2023
 Scheduled date to commence dividend payments: —
 Preparation of supplementary material on quarterly financial results: None
 Holding of quarterly financial results briefing: None

(Yen amounts are rounded down to millions.)

1. Consolidated financial results for the three months ended March 31, 2023 (from January 1, 2023 to March 31, 2023)

(1) Consolidated operating results

(Percentages indicate year-on-year changes.)

	Revenue		Operating profit		Profit before tax		Profit	
	million yen	%	million yen	%	million yen	%	million yen	%
Three months ended								
March 31, 2023	99,472	22.3	2,759	—	2,755	—	1,255	—
March 31, 2022	81,310	(34.8)	(1,557)	—	(2,488)	—	(2,042)	—

	Profit attributable to owners of parent		Total comprehensive income		Basic earnings per share	Diluted earnings per share
	million yen	%	million yen	%	yen	yen
Three months ended						
March 31, 2023	413	—	(3,536)	—	7.34	7.33
March 31, 2022	(2,039)	—	8,955	(34.3)	(36.18)	(36.18)

(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
	million yen	million yen	million yen	%
As of				
March 31, 2023	401,163	108,790	103,999	25.9
December 31, 2022	416,206	111,625	107,712	25.9

Note: The original condensed consolidated financial statements of MODEC, INC. and its subsidiaries (hereinafter "the Company") for the three months ended March 31, 2023 and 2022 and for the year ended December 31, 2022 are presented in US dollars on page 4 of this material. The amount presented for consolidated operating results and consolidated financial position are converted to Japanese yen, respectively, as follows:

March 31, 2023 1 US dollar = 133.54 Japanese yen at the TTM rate of Sumitomo Mitsui Banking Corporation as of March 31, 2023

March 31, 2022 1 US dollar = 122.41 Japanese yen at the TTM rate of Sumitomo Mitsui Banking Corporation as of March 31, 2022

December 31, 2022 1 US dollar = 132.71 Japanese yen at the TTM rate of Sumitomo Mitsui Banking Corporation as of December 30, 2022

The percentage indicating year-on-year changes is calculated on Japanese yen basis presented above.

2. Cash dividends

	Annual dividends per share				
	First quarter-end	Second quarter-end	Third quarter-end	Year-end	Total
Year ended December 31, 2022	yen —	yen 0.00	yen —	yen 0.00	yen 0.00
Year ending December 31, 2023	—				
Year ending December 31, 2023 (Forecast)		—	—	—	—

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

3. Earnings forecast for 2023 (from January 1, 2023 to December 31, 2023)

(Percentages indicate year-on-year changes.)

	Revenue		Operating profit		Profit before tax		Profit attributable to owners of parent		Basic earnings per share
	million yen	%	million yen	%	million yen	%	million yen	%	yen
Full Year	398,130	9.5	7,962	(20.4)	9,289	27.7	5,971	20.4	105.94

Note: Revisions to the forecast most recently announced: None

The original consolidated earnings forecast of the Company is presented in US dollars on page 4 of this material. The amount presented for the earnings forecast for 2023 is converted to Japanese yen at 132.71 yen at the TTM rate of Sumitomo Mitsui Banking Corporation as of December 30, 2022.

*** 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

(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 March 31, 2023	56,408,000 shares
As of December 31, 2022	56,408,000 shares

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

As of March 31, 2023	38,217 shares
As of December 31, 2022	38,217 shares

(iii) Average number of shares outstanding during the period

Three months ended March 31, 2023	56,369,783 shares
Three months ended March 31, 2022	56,362,900 shares

* Quarterly financial results are exempt from quarterly review conducted by certified public accountants or an audit corporation.

* Proper use of earnings forecasts and other special matters

- The Company voluntarily adopted International Financial Reporting Standards (IFRS) from the year ended December 31, 2021 for the consolidated financial statements.
- Accompanying condensed quarterly consolidated financial statements and selected notes are presented in functional currency of the Company, US dollars.
- Earnings forecast and other forward-looking statement included in this material are based on information currently available to the Company and are based on assumptions deemed reasonable. They are not meant to be a guarantee of future performance or outcomes. Actual results may differ materially subject to various factors.

[Reference] Consolidated financial results for the three months ended March 31, 2023 and earnings forecast for the year ending December 31, 2023 presented in functional currency of the Company, US dollars

(US dollar amounts are rounded down to thousands.)

1. Consolidated financial results for the three months ended March 31, 2023 (from January 1, 2023 to March 31, 2023)

(1) Consolidated operating results

(Percentages indicate year-on-year changes.)

	Revenue		Operating profit		Profit before tax		Profit	
	US\$ thousand	%	US\$ thousand	%	US\$ thousand	%	US\$ thousand	%
Three months ended								
March 31, 2023	744,888	12.1	20,665	—	20,634	—	9,402	—
March 31, 2022	664,247	(41.0)	(12,725)	—	(20,328)	—	(16,688)	—

	Profit attributable to owners of parent		Total comprehensive income		Basic earnings per share	Diluted earnings per share
	US\$ thousand	%	US\$ thousand	%	US\$	US\$
Three months ended						
March 31, 2023	3,096	—	(26,482)	—	0.05	0.05
March 31, 2022	(16,657)	—	73,162	(34.3)	(0.30)	(0.30)

(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
	US\$ thousand	US\$ thousand	US\$ thousand	%
As of				
March 31, 2023	3,004,069	814,665	778,791	25.9
December 31, 2022	3,136,213	841,121	811,640	25.9

2. Earnings forecast for 2023 (from January 1, 2023 to December 31, 2023)

(Percentages indicate year-on-year changes.)

	Revenue		Operating profit		Profit before tax		Profit attributable to owners of parent		Basic earnings per share
	US\$ thousand	%	US\$ thousand	%	US\$ thousand	%	US\$ thousand	%	US\$
Full Year	3,000,000	9.5	60,000	(20.4)	70,000	27.7	45,000	20.4	0.80