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August 10, 2023

Consolidated Financial Results for the Six Months Ended June 30, 2023 (IFRS)

Company name: MODEC, INC.
 Listing: Tokyo Stock Exchange
 Securities code: 6269
 URL: <https://www.modec.com>
 Representative: Takeshi Kanamori, Representative Director, President
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 Scheduled date to file quarterly securities report: August 14, 2023
 Scheduled date to commence dividend payments: —
 Preparation of supplementary material on quarterly financial results: Yes “2Q 2023 Results Presentation”
 Holding of quarterly financial results briefing: Yes (to institutional investors and analysts)

(US dollar amounts are rounded down to thousands.)

1. Consolidated financial results for the six months ended June 30, 2023 (from January 1, 2023 to June 30, 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 | % |
| Six months ended | | | | | | | | |
| June 30, 2023 | 1,588,647 | 15.5 | 49,366 | 26.6 | 54,881 | 121.0 | 37,343 | 145.5 |
| June 30, 2022 | 1,375,521 | (34.8) | 38,980 | 43.1 | 24,834 | (57.2) | 15,213 | (72.9) |

| | Profit attributable to owners of parent | | Total comprehensive income | | Basic earnings per share | | Diluted earnings per share | |
|------------------|---|--------|----------------------------|--------|--------------------------|--|----------------------------|--|
| | US\$ thousand | % | US\$ thousand | % | US\$ | | US\$ | |
| Six months ended | | | | | | | | |
| June 30, 2023 | 23,793 | 57.1 | 32,490 | (81.0) | 0.42 | | 0.42 | |
| June 30, 2022 | 15,142 | (72.5) | 170,606 | 50.9 | 0.27 | | 0.27 | |

(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 | | | | | | | | |
| June 30, 2023 | 3,216,686 | | 981,656 | | 938,548 | | 29.2 | |
| December 31, 2022 | 3,136,213 | | 841,121 | | 811,640 | | 25.9 | |

Note: The original condensed consolidated financial statements of MODEC, INC. and its subsidiaries (hereinafter “the Company”) for the six months ended June 30, 2023 and 2022 and for the year ended December 31, 2022 are presented in the Company’s functional currency which is US dollars. Therefore, the consolidated operating results and the consolidated financial position above are also presented in US dollars.

For convenience purposes the consolidated operating results and the consolidated financial position in Japanese yen, which are converted in expedient manner, are presented on page 4 of this summary information.

2. Cash dividends

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

Note: Revisions to the forecast most recently announced: None

The consolidated earnings forecast of the Company is prepared in US dollars which is the Company's functional currency. For convenience purposes the consolidated earnings forecast in Japanese yen, which is converted in expedient manner, is presented on page 4 of this summary information.

*** 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 June 30, 2023 | 68,345,300 shares |
| As of December 31, 2022 | 56,408,000 shares |

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

| | |
|-------------------------|---------------|
| As of June 30, 2023 | 38,217 shares |
| As of December 31, 2022 | 38,217 shares |

(iii) Average number of shares outstanding during the period

| | |
|--------------------------------|-------------------|
| Six months ended June 30, 2023 | 56,435,735 shares |
| Six months ended June 30, 2022 | 56,365,663 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.
- The US dollar amounts in the first page of this summary information is not tagged to XBRL data.
- 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 six months ended June 30, 2023 and earnings forecast for the year ending December 31, 2023 presented in Japanese yen

(Yen amounts are rounded down to millions.)

1. Consolidated financial results for the six months ended June 30, 2023 (from January 1, 2023 to June 30, 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 | % |
| Six months ended | | | | | | | | |
| June 30, 2023 | 230,338 | 22.6 | 7,157 | 34.4 | 7,957 | 134.5 | 5,414 | 160.5 |
| June 30, 2022 | 187,951 | (19.5) | 5,326 | 76.8 | 3,393 | (47.1) | 2,078 | (66.5) |

| | Profit attributable to owners of parent | | Total comprehensive income | | Basic earnings per share | Diluted earnings per share |
|------------------|---|--------|----------------------------|--------|--------------------------|----------------------------|
| | million yen | % | million yen | % | yen | yen |
| Six months ended | | | | | | |
| June 30, 2023 | 3,449 | 66.7 | 4,710 | (79.8) | 61.13 | 61.09 |
| June 30, 2022 | 2,069 | (66.1) | 23,311 | 86.4 | 36.71 | 36.69 |

(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 | | | | |
| June 30, 2023 | 466,387 | 142,330 | 136,080 | 29.2 |
| December 31, 2022 | 416,206 | 111,625 | 107,712 | 25.9 |

Note: The amounts presented above are converted in expedient manner to Japanese yen as follows:

June 30, 2023 at US\$1.00 = 144.99 Japanese yen at the TTM rate of Sumitomo Mitsui Banking Corporation as of June 30, 2023

June 30, 2022 at US\$1.00 = 136.64 Japanese yen at the TTM rate of Sumitomo Mitsui Banking Corporation as of June 30, 2022

December 31, 2022 at US\$1.00 = 132.71 Japanese yen at the TTM rate of Sumitomo Mitsui Banking Corporation as of December 30, 2022

The percentages indicating year-on-year changes for the consolidated operating results are calculated on Japanese yen basis presented above.

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 |
|-----------|-------------|-----|------------------|--------|-------------------|------|---|------|--------------------------|
| | 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: The amounts presented above are converted in expedient manner to Japanese yen at US\$1.00 = 132.71 Japanese yen at the TTM rate of Sumitomo Mitsui Banking Corporation as of December 30, 2022.