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November 9, 2023

Consolidated Financial Results for the Nine Months Ended September 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: November 10, 2023
 Scheduled date to commence dividend payments: —
 Preparation of supplementary material on quarterly financial results: No
 Holding of quarterly financial results briefing: No

(US dollar amounts are rounded down to thousands.)

1. Consolidated financial results for the nine months ended September 30, 2023 (from January 1, 2023 to September 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	%
Nine months ended								
September 30, 2023	2,485,637	24.8	88,334	114.3	94,261	204.7	55,747	350.4
September 30, 2022	1,991,229	(33.2)	41,214	—	30,939	—	12,378	—

	Profit attributable to owners of parent		Total comprehensive income		Basic earnings per share		Diluted earnings per share	
	US\$ thousand	%	US\$ thousand	%	US\$		US\$	
Nine months ended								
September 30, 2023	35,904	176.1	93,064	(61.6)	0.59		0.59	
September 30, 2022	13,006	—	242,264	587.2	0.23		0.23	

(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				
September 30, 2023	3,593,187	1,041,897	992,832	27.6
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 nine months ended September 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 converted in expedient manner to Japanese yen 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	—	—	—	—	45,000	20.4	0.80

Note: Revisions to the forecast most recently announced: Yes

For earnings forecast please refer to "The announcement for the revision of earnings release for the year ending December 31, 2023" released today on November 9, 2023.

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 converted in expedient manner to Japanese yen 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 September 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 September 30, 2023	38,217 shares
As of December 31, 2022	38,217 shares

(iii) Average number of shares outstanding during the period

Nine months ended September 30, 2023	60,436,336 shares
Nine months ended September 30, 2022	56,367,059 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 nine months ended September 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 nine months ended September 30, 2023 (from January 1, 2023 to September 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	%
Nine months ended								
September 30, 2023	371,801	28.9	13,213	121.4	14,099	214.7	8,338	365.2
September 30, 2022	288,349	(13.7)	5,968	—	4,480	—	1,792	—

	Profit attributable to owners of parent		Total comprehensive income		Basic earnings per share	Diluted earnings per share
	million yen	%	million yen	%	yen	Yen
Nine months ended						
September 30, 2023	5,370	185.1	13,920	(60.3)	88.86	88.81
September 30, 2022	1,883	—	35,082	788.9	33.41	33.40

(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				
September 30, 2023	537,468	155,847	148,507	27.6
December 31, 2022	416,206	111,625	107,712	25.9

Note: The amounts presented above are converted from the consolidated financial results on page 1 of this summary information in expedient manner to Japanese yen as follows:

September 30, 2023 at US\$1.00 = 149.58 Japanese yen at the TTM rate of Sumitomo Mitsui Banking Corporation as of September 29, 2023

September 30, 2022 at US\$1.00 = 144.81 Japanese yen at the TTM rate of Sumitomo Mitsui Banking Corporation as of September 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	448,740	23.4	—	—	—	—	6,731	35.7	119.40

Note: The consolidated earnings forecast of the Company is prepared in US dollars which is the Company's functional currency. The amounts presented for the forecast released previously which was announced officially on February 14, 2023 are converted in expedient manner at US\$1.00 = 132.71 Japanese yen at the TTM rate of Sumitomo Mitsui Banking Corporation as of December 30, 2022. Also, the amounts presented this time for the revised forecast are converted in expedient manner at US\$1.00 = 149.58 Japanese yen at the TTM rate of Sumitomo Mitsui Banking Corporation as of September 29, 2023.

The percentages indicating year-on-year changes for the consolidated earnings forecast are calculated on Japanese yen basis.