



December 21, 2023

MODEC, Inc.
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Notice Regarding Transition to a Company with Audit and Supervisory Committee

At its Board of Directors Meeting held on December 21, 2023, MODEC, Inc., (“the Company”) decided to transition from a company with a Board of Company Auditors to a company with an Audit and Supervisory Committee, subject to the approval at the 38th Annual General Meeting of Shareholders to be held in March 2024.

1. Purpose of transition

Through the transition to a company with an Audit and Supervisory Committee, the Company proceeds with the delegation of authority to the executive directors from the Board of Directors while the Board of Directors focuses on deliberation of management policies and strategies. The Company also intends to strengthen the supervisory function of the Board of Directors by including Audit and Supervisory Committee members, who take on responsibilities such as auditing the performance of directors’ duties, as the members of the Board of Directors, and facilitate the quick decision-making.

Under this organizational structure, in order to appropriately respond to the significantly changing business environment at a faster pace than ever before, the Company endeavors to enhance the speed and quality of its management decisions, and further improve the corporate value of the Company group.

2. Timing of transition

The Company plans to shift to a company with an Audit and Supervisory Committee upon obtaining approval for the amendments to the Articles of Incorporation and other related matters required for the transition at the 38th Annual General Meeting of Shareholders to be held in March 2024.

3. Others

The details of the amendments to the Articles of Incorporation and executive appointments associated with the transition will be announced as soon as they are decided.