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February 14, 2024

Consolidated Financial Results for the Year Ended December 31, 2023 (IFRS)

Company name: MODEC, INC.
 Listing: Tokyo Stock Exchange
 Securities code: 6269
 URL: <http://www.modec.com>
 Representative: Takeshi Kanamori, Representative Director, President
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 Scheduled date of annual general meeting of shareholders: March 27, 2024
 Scheduled date to commence dividend payments: March 28, 2024
 Scheduled date to file annual securities report: March 27, 2024
 Preparation of supplementary material on financial results: Yes
 Holding of financial results briefing: Yes (for institutional investors and analysts)

(US dollar amounts are rounded down to thousands.)

1. Consolidated financial results for the year ended December 31, 2023 (from January 1, 2023 to December 31, 2023)

(1) Consolidated operating results

(Percentages indicate year-on-year changes.)

Year ended	Revenue		Operating profit		Profit before tax		Profit	
	US\$ thousand	%	US\$ thousand	%	US\$ thousand	%	US\$ thousand	%
December 31, 2023	3,574,924	30.5	192,938	156.1	214,668	291.5	125,955	206.1
December 31, 2022	2,739,762	(29.7)	75,330	—	54,835	—	41,143	—

Year ended	Profit attributable to owners of parent		Total comprehensive income		Basic earnings per share	Diluted earnings per share
	US\$ thousand	%	US\$ thousand	%	US\$	US\$
December 31, 2023	96,536	158.3	104,136	(63.3)	1.55	1.55
December 31, 2022	37,377	—	283,372	—	0.66	0.66

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, 2023	10.7	6.1	5.4
December 31, 2022	5.6	1.7	2.7

Reference: Share of profit of investments accounted for using equity method

Year ended December 31, 2023: US\$128,677 thousand; Year ended December 31, 2022: US\$126,845 thousand

(2) Consolidated financial position

As of	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
	US\$ thousand	US\$ thousand	US\$ thousand	%	US\$
December 31, 2023	3,887,921	1,035,291	992,817	25.5	14.53
December 31, 2022	3,136,213	841,121	811,640	25.9	14.40

(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 year
Year ended	US\$ thousand	US\$ thousand	US\$ thousand	US\$ thousand
December 31, 2023	485,886	(210,542)	241,146	1,013,912
December 31, 2022	(208,895)	(56,846)	(49,013)	492,625

Note: The original consolidated financial statements of MODEC, INC. and its subsidiaries (hereinafter "the Company") for the years ended December 31, 2023 and 2022 are presented in US dollars which is the Company's functional currency.

Accordingly, the amounts presented for consolidated financial results above are also presented in US dollars.

For convenience purposes the consolidated financial results converted to Japanese yen in expedient manner are presented on page 5 of this summary information.

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	Year-end	Total			
Year ended	yen	yen	yen	yen	yen	million yen	%	%
December 31, 2022	—	0.00	—	0.00	0.00	—	—	—
Year ended	—	0.00	—	20.00	20.00	1,366	10.0	1.0
December 31, 2023								
Year ending	—	10.00	—	30.00	40.00		16.1	
December 31, 2024 (Forecast)								

3. Consolidated earnings forecast for 2024 (from January 1, 2024 to December 31, 2024)

(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	3,900,000	9.1	200,000	3.7	210,000	(2.2)	120,000	24.3	1.76

Note: 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 to Japanese yen in expedient manner is presented on page 6 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 year (including treasury shares)

As of December 31, 2023	68,345,300 shares
As of December 31, 2022	56,408,000 shares

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

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

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

Year ended December 31, 2023	62,420,195 shares
Year ended December 31, 2022	56,367,747 shares

[Reference] Overview of non-consolidated financial results**1. Non-consolidated financial results for the year ended December 31, 2023 (from January 1, 2023 to December 31, 2023)****(1) Non-consolidated operating results**

(Percentages indicate year-on-year changes.)

Year ended	Net sales		Operating profit		Ordinary profit		Profit	
	million yen	%	million yen	%	million yen	%	million yen	%
December 31, 2023	406,179	50.6	6,005	—	6,557	(77.5)	3,269	(36.0)
December 31, 2022	269,663	(24.7)	(2,747)	—	29,192	—	5,112	—

Year ended	Basic earnings per share	Diluted earnings per share
	yen	yen
December 31, 2023	52.38	—
December 31, 2022	90.69	—

(2) Non-consolidated financial position

As of	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
	million yen	million yen	%	yen
December 31, 2023	303,078	39,890	13.2	583.99
December 31, 2022	241,328	21,532	8.9	381.98

Reference: Equity as of December 31, 2023: 39,890 million yen; as of December 31, 2022: 21,532 million yen

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

- * Consolidated financial results are exempt from audit conducted by certified public accountants or an audit corporation.
- * Notes for the proper use of earnings forecasts and other special matters
- Accompanying consolidated financial statements and selected notes are presented in US dollars which is the Company's functional currency.
 - The US dollar amounts in the first page of this summary information is not tagged to XBRL data.

- Earnings forecast and other forward-looking statements 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. Please refer to Qualitative information on financial results on the second page of attached material for assumptions and conditions precedent of earnings forecast and notes for utilization.
- The Company will hold financial result briefing for institutional investors and analysts on February 15th, 2024. The material used for the financial result briefing will be posted on the Company's website immediately following the session.

[Reference] Consolidated financial results for the year ended December 31, 2023 and consolidated earnings forecast for the year ending December 31, 2024 presented in Japanese yen

(Yen amounts are rounded down to millions.)

1. Consolidated financial results for the year ended December 31, 2023 (from January 1, 2023 to December 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	%
Year ended								
December 31, 2023	507,031	39.4	27,364	173.7	30,446	318.4	17,864	227.2
December 31, 2022	363,593	(18.9)	9,997	—	7,277	—	5,460	—

	Profit attributable to owners of parent		Total comprehensive income		Basic earnings per share	Diluted earnings per share
	million yen	%	million yen	%	yen	Yen
Year ended						
December 31, 2023	13,691	176.0	14,769	(60.7)	219.35	219.21
December 31, 2022	4,960	—	37,606	—	88.00	87.96

	Return on equity attributable to owners of parent	Ratio of profit before tax to total assets	Ratio of operating profit to revenue
	%	%	%
Year ended			
December 31, 2023	11.0	6.3	5.4
December 31, 2022	5.9	1.8	2.7

Reference: Share of profit of investments accounted for using equity method

Year ended December 31, 2023: 18,250 million yen; Year ended December 31, 2022: 16,833 million yen

(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
	million yen	million yen	million yen	%	yen
As of					
December 31, 2023	551,423	146,835	140,811	25.5	2,061.45
December 31, 2022	416,206	111,625	107,712	25.9	1,910.82

(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 year
	million yen	million yen	million yen	million yen
Year ended				
December 31, 2023	68,913	(29,861)	34,201	143,803
December 31, 2022	(27,722)	(7,544)	(6,504)	65,376

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

December 31, 2023 at US\$1.00 = 141.83 Japanese yen (TTM rate of Sumitomo Mitsui Banking Corporation as of December 29, 2023)

December 31, 2022 at US\$1.00 = 132.71 Japanese yen (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. Consolidated earnings forecast for 2024 (from January 1, 2024 to December 31, 2024)

(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	553,137	9.1	28,366	3.7	29,784	(2.2)	17,019	24.3	249.15

Note: The amounts presented above are converted to Japanese yen in expedient manner from the consolidated earnings forecast on page 2 of this summary information at US\$1.00 = 141.83 Japanese yen at the TTM rate of Sumitomo Mitsui Banking Corporation as of December 29, 2023.