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May 7, 2021

Consolidated Financial Results for the Three Months Ended March 31, 2021 (Under Japanese GAAP)

Company name: MODEC, INC.
 Listing: Tokyo Stock Exchange
 Securities code: 6269
 URL: <http://www.modec.com>
 Representative: Takeshi Kanamori, President & CEO
 Inquiries: Yasuhiro Takano, Executive Managing Officer
 Telephone: +81-3-5290-1200
 Scheduled date to file quarterly securities report: May 10, 2021
 Scheduled date to commence dividend payments: -
 Preparation of supplementary material on quarterly financial results: Yes
 Holding of quarterly financial results briefing: None

(Yen amounts are rounded down to millions, unless otherwise noted.)

1. Consolidated financial results for the three months ended March 31, 2021 (from January 1, 2021 to March 31, 2021)

(1) Consolidated operating results (cumulative)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Three months ended								
March 31, 2021	119,855	-	1,665	-	5,168	-	3,875	-
March 31, 2020	80,566	38.7	(12,046)	-	(10,340)	-	(10,066)	-

Note: Comprehensive income For the three months ended March 31, 2021: ¥21,138 million [-%]
 For the three months ended March 31, 2020: (¥26,763) million [-%]

	Basic earnings per share	Diluted earnings per share
Three months ended	Yen	Yen
March 31, 2021	68.77	-
March 31, 2020	(178.66)	-

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio
As of	Millions of yen	Millions of yen	%
March 31, 2021	374,467	110,376	28.6
December 31, 2020	357,532	95,015	25.6

Reference: Equity
 As of March 31, 2021: ¥107,045 million
 As of December 31, 2020: ¥91,422 million

2. Cash dividends

	Annual dividends per share				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended December 31, 2020	-	23.75		21.25	45.00
Fiscal year ending December 31, 2021	-				
Fiscal year ending December 31, 2021 (Forecast)		15.00		15.00	30.00

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

3. Earnings forecast for FY2021 (January 1, 2021 – December 31, 2021)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Full Year	400,000	29.1	-	-	10,000	-	5,000	-

Note: Revisions to the Earnings forecast most recently announced: None

* **Notes**

- (1) Changes in significant subsidiaries during the period (changes in specified subsidiaries resulting in the change in scope of consolidation): None
- (2) Adoption of accounting treatment specific to the preparation of quarterly consolidated financial statements: Yes
- (3) Changes in accounting policies, changes in accounting estimates, and restatement
- (i) Changes in accounting policies due to revisions to accounting standards and other regulations: Yes
 - (ii) Changes in accounting policies due to other reasons: None
 - (iii) Changes in accounting estimates: None
 - (iv) Restatement: None

(4) Number of issued shares (common shares)

- (i) Total number of issued shares at the end of the period (including treasury shares)

As of March 31, 2021	56,408,000 shares
As of December 31, 2020	56,408,000 shares

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

As of March 31, 2021	54,232 shares
As of December 31, 2020	54,232 shares

- (iii) Average number of shares outstanding during the period (cumulative from the beginning of the fiscal year)

Three months ended March 31, 2021	56,353,768 shares
Three months ended March 31, 2020	56,347,591 shares

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

* Proper use of earnings forecasts, and other special matters

The forecasts given above are based on information available at the time of compilation and are inherently subject to a variety of risks and uncertainties. Actual results may vary significantly from forecasts due to factors including, but not limited to, changes in the economic or business environment and exchange rate fluctuations.

MODEC, INC. and Consolidated Subsidiaries

CONSOLIDATED BALANCE SHEET

March 31, 2021

ASSETS

	<u>Millions of Japanese yen</u>
CURRENT ASSETS:	
Cash and deposits	¥76,751
Accounts receivable-trade and contract assets	130,083
Inventories	797
Short-term loans receivable	5,043
Other current assets	19,391
Allowance for doubtful accounts	<u>(1,238)</u>
Total current assets	230,829
PROPERTY AND EQUIPMENT:	
Machinery and equipment	36
Other property and equipment	<u>4,393</u>
Total property and equipment	4,430
INTANGIBLE ASSETS:	10,552
INVESTMENTS AND OTHER ASSETS:	
Investment securities	77,384
Long-term loans receivable from affiliates	42,090
Other investments	<u>9,180</u>
Total investments and other assets	128,655
Total assets	<u><u>¥374,467</u></u>

** The figures are rounded down to the nearest million yen.*

LIABILITIES AND NET ASSETS

	Millions of Japanese yen
CURRENT LIABILITIES:	
Accounts payable-trade	¥132,110
Short-term loans payable	3,210
Current portion of long-term loans payable	6,013
Accrued expenses	15,312
Income taxes payable	5,028
Contract liabilities	59,342
Accrued employees' bonuses	275
Provision for loss on construction contracts	5,427
Provision for construction warranties	8,075
Provision for repairs	3,985
Other current liabilities	8,586
Total current liabilities	<u>247,368</u>
LONG-TERM LIABILITIES:	
Long-term loans payable	2,650
Net defined benefit liabilities	884
Other long-term liabilities	13,187
Total long-term liabilities	<u>16,721</u>
Total liabilities	264,090
NET ASSETS:	
SHAREHOLDERS' EQUITY:	
Common stock;	
Authorized - 102,868,000 shares	
Issued - 56,408,000 shares	30,122
Capital surplus	29,301
Retained earnings	54,796
Treasury stock, at cost	(169)
Total shareholders' equity	<u>114,051</u>
ACCUMULATED OTHER COMPREHENSIVE INCOME:	
Unrealized gains (losses) on hedging derivatives, net of tax	(7,211)
Foreign currency translation adjustment	1,500
Retirement liability adjustments for foreign consolidated subsidiaries	(1,295)
Total accumulated other comprehensive income	<u>(7,006)</u>
NON-CONTROLLING INTERESTS	3,331
Total net assets	110,376
Total liabilities and net assets	<u>¥374,467</u>

* The figures are rounded down to the nearest million yen.

MODEC, INC. and Consolidated Subsidiaries

CONSOLIDATED STATEMENT OF INCOME

For the year ended March 31, 2021

	Millions of Japanese yen
SALES	¥119,855
COST OF SALES	114,874
Gross profit (loss)	4,981
SELLING, GENERAL AND ADMINISTRATIVE EXPENSES	3,315
Operating profit (loss)	1,665
OTHER INCOME (EXPENSES):	
Interest income	1,063
Equity in earnings of unconsolidated subsidiaries and affiliates, net	1,513
Foreign exchange gain (loss), net	865
Interest expenses	(109)
Gain (loss) on revaluation of derivatives	(39)
Others, net	209
Total other income (expenses)	3,503
PROFIT (LOSS) BEFORE INCOME TAXES	5,168
INCOME TAXES:	
Current	357
Prior	(6)
Deferred	990
PROFIT (LOSS)	3,827
PROFIT (LOSS) ATTRIBUTABLE TO NON-CONTROLLING INTERESTS	(48)
PROFIT (LOSS) ATTRIBUTABLE TO OWNERS OF PARENT	¥3,875

** The figures are rounded down to the nearest million yen.*

Earnings (loss) per share	¥68.77
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MODEC, INC. and Consolidated Subsidiaries

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended March 31, 2021

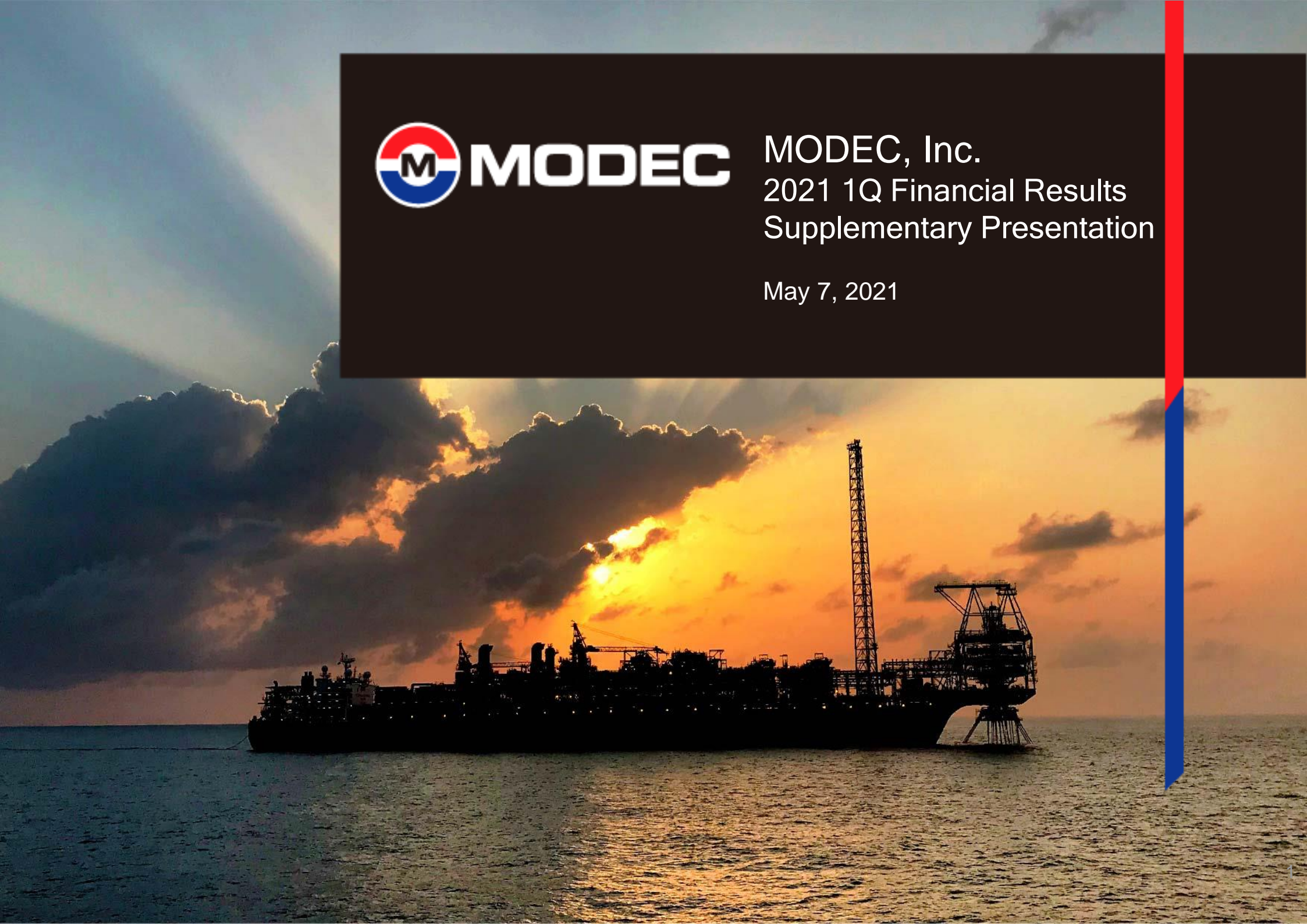
	<u>Millions of Japanese yen</u>
PROFIT(LOSS)	¥3,827
OTHER COMPREHENSIVE INCOME:	
Unrealized gains (losses) on hedging derivatives, net of tax	(1,910)
Foreign currency translation adjustment	3,843
Retirement liability adjustments for foreign consolidated subsidiaries	(109)
Share of other comprehensive income (loss) of unconsolidated subsidiaries and affiliates accounted for using equity method	15,487
Total other comprehensive income	<u>17,310</u>
COMPREHENSIVE INCOME	<u>¥21,138</u>
Comprehensive income attributable to owners of parent	¥20,966
Comprehensive income attributable to non-controlling interests	¥171

** The figures are rounded down to the nearest million yen.*



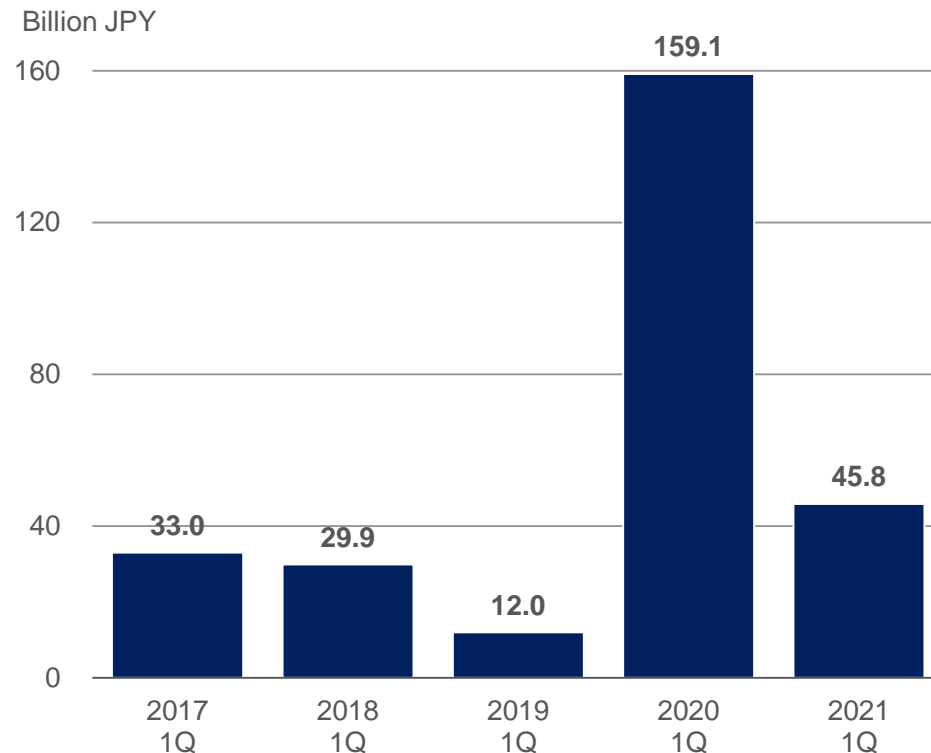
MODEC, Inc.
2021 1Q Financial Results
Supplementary Presentation

May 7, 2021

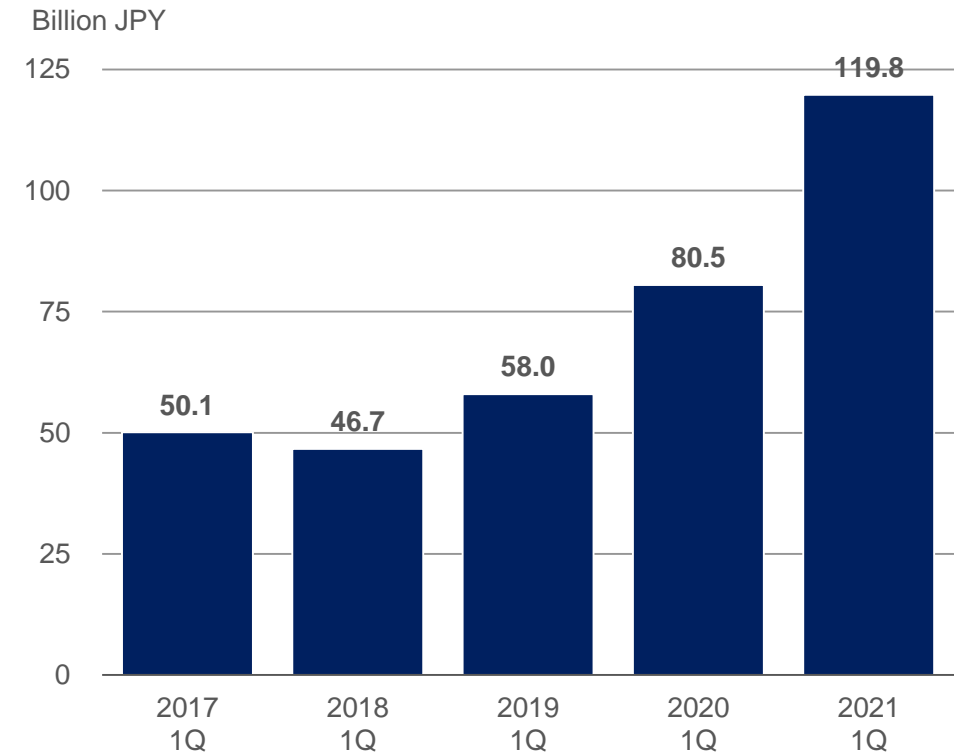


2021 First Quarter : Highlight

New Order



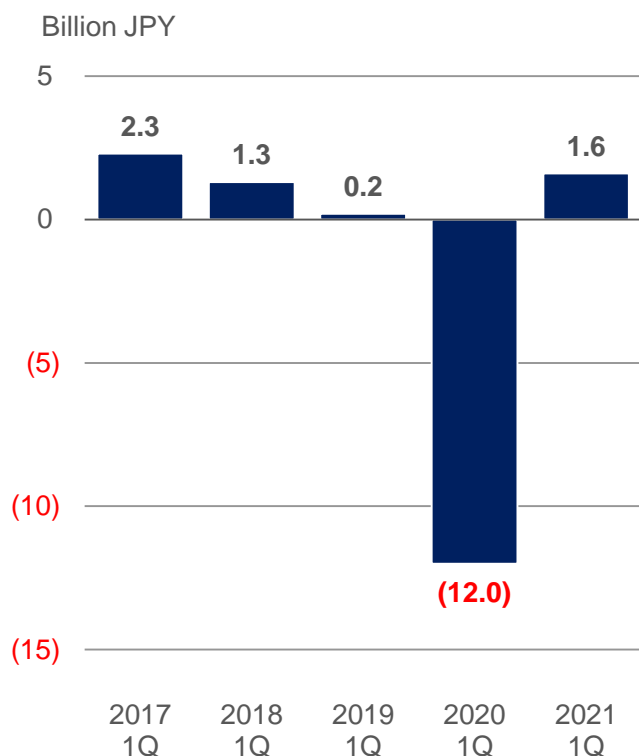
Revenue



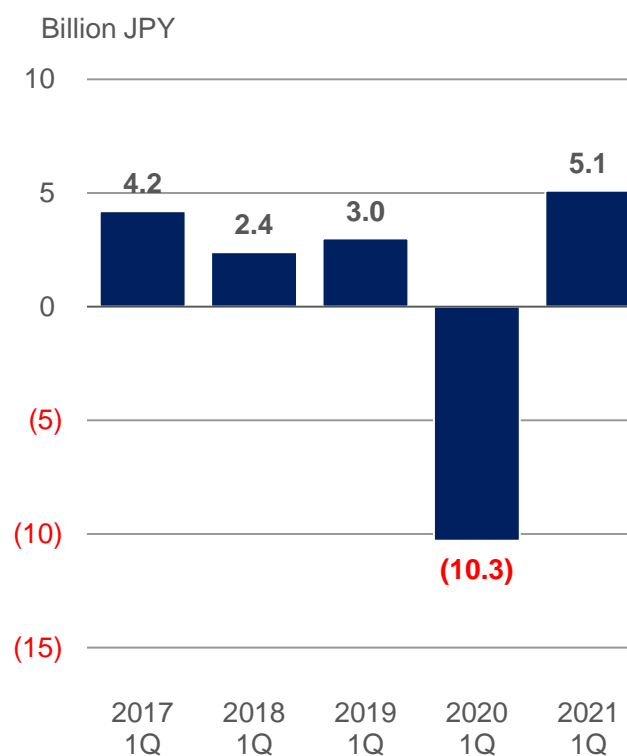
- New order was JPY 45 billion. New order for Bacalhau Field Development project from Equinor was partially recognized in this quarter.
- Revenue increased comparing to the same period last year primarily due to the increase of the number of FPSO constructions

2021 First Quarter : Highlight

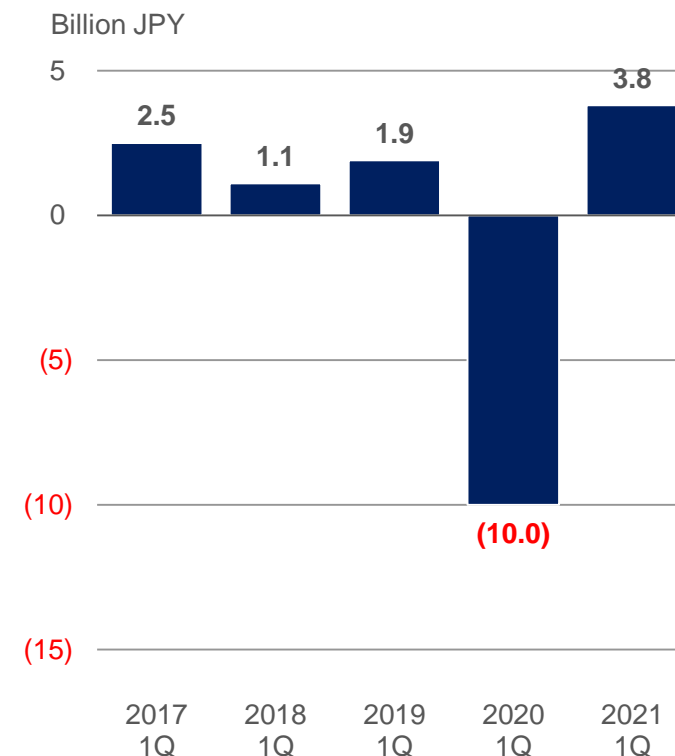
Operating Profit



Ordinary Profit



Profit Attribute to Owners of Parent



- Recognized profit primarily due to the increase of the number of FPSO constructions.