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(Securities Code: 6269)

Commencement of Electronic Provision: February 27, 2025

Date of Release: March 7, 2025

**To Our Shareholders with Voting Rights:**

Takeshi Kanamori  
Chairman Executive Officer  
MODEC, INC.  
3-10, Nihonbashi 2-chome Chuo-ku, Tokyo

**NOTICE OF CONVOCATION OF  
THE 39<sup>TH</sup> ANNUAL GENERAL MEETING OF SHAREHOLDERS**

Please be advised that the 39th Annual General Meeting of Shareholders of MODEC, INC. (the “Company”) is to be held as described below.

The Company has taken measures for electronic provision of materials for the General Meeting of Shareholders and posted matters to be provided electronically (the “Matters”) on its website on the Internet pursuant to the provision of Article 325-3 of the Companies Act. Please access the following URL to review the information.

The Company’s website: <https://www.modec.com/ir/stock/agm.html>

The Matters are posted on the Company’s website and also on the Tokyo Stock Exchange’s (TSE’s) website. Please access the URL and follow the steps below to review the information.

The Tokyo Stock Exchange’s website (Listed Company Search):  
<https://www2.jpx.co.jp/tseHpFront/JJK020010Action.do?Show=Show>

Please visit the TSE website from the address above, enter “MODEC” in the “Issue name (company name)” field, or our securities code “6269” in the “Code” field, and click on “Search” to see the search results. Then select “Basic information” and “Documents for public inspection/PR information” in this order to view the information on the [Notice of General Shareholders Meeting /Informational Materials for a General Shareholders Meeting] in the “Field information available for public inspection” section.

If you are unable to attend the meeting, you may exercise your voting rights via the Internet, etc. or in writing. The details of each proposal are as shown on the Reference Documents for the General Meeting of Shareholders attached to the Notice of Convocation of the 39<sup>th</sup> Annual General Meeting of Shareholders on the Company’s website. Please review the documents and exercise your voting rights by 5:40 p.m. on Wednesday, March 26, 2025 by referring to the “Guide to Exercising Voting Rights Prior to the Meeting” (available in Japanese only) provided later in this Notice of Convocation.

- 1. Date and Time:** Thursday, March 27, 2025, at 10:00 a.m.  
(The reception desk opens at 9:00 a.m.)
- 2. Place:** Congres Square Nihonbashi 2F Convention Hall A/B  
Tokyo Tatemono Nihonbashi Building, 3-13, Nihonbashi 1-chome Chuo-ku,  
Tokyo
- 3. Meeting Agenda:**
  - Matters to be reported:** 1. Operations Report, Consolidated Financial Statements, and Audit Report concerning Consolidated Financial Statements by the Accounting Auditor and the Audit and Supervisory Committee for the 39th Term (from January 1, 2024 to December 31, 2024)
  2. Non-consolidated Financial Statements for the 39th Term (from January 1, 2024 to December 31, 2024)

**Matters to be resolved:**

- Proposal 1:** Appropriation of Surplus  
**Proposal 2:** Election of Six Directors (Excluding Directors who are Audit and Supervisory Committee Members)

**4. Other Matters Concerning Procedures of Convocation of the Annual General Meeting of Shareholders**

Among the items to be included in the documents stating the matters to be provided electronically (the “Documents”), the items listed below are posted on the Company’s website on the Internet (<https://www.modec.com/ir/stock/agm.html>) pursuant to the provisions of applicable laws and regulations as well as Article 15 of the Company’s Articles of Incorporation, and are not included in the documents to be delivered to those shareholders who have requested printed documents. Accordingly, the items included in the Documents are part of the Operations Report, Consolidated Financial Statements, and Non-consolidated Financial Statements which the Audit and Supervisory Committee audited in preparing the Audit Report, and part of the Consolidated Financial Statements and the Non-consolidated Financial Statements which the Accounting Auditor audited in preparing the Accounting Audit Report.

- (1) Systems necessary to ensure the appropriateness of business activities and operational status of the systems
- (2) Consolidated Statement of Changes in Equity and Notes to Consolidated Financial Statements
- (3) Non-Consolidated Statement of Changes in Net Assets and Notes to Non-consolidated Financial Statements

In case of circumstances requiring revisions to the matters to be provided electronically, the original and revised versions of the matters will be posted to that effect on the websites of the Company and the Tokyo Stock Exchange on the Internet.

The Company has adopted the International Financial Reporting Standards (IFRS). The presentation currency is the US dollar.

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1. When attending the meeting, please submit the enclosed Voting Rights Exercise Form at the reception desk.
  2. In case of voting by proxy, you can exercise your voting rights by appointing one shareholder who has voting rights as your proxy.

- Any fees including access fees to internet service providers and communications carriers for use of the website for exercising voting rights shall be borne by shareholders.
- If any voting right is exercised both in writing and via the Internet, the vote that reached the Company at a later timing will be recognized as valid. In the event that both votes arrive on the same day, the vote via the Internet will be recognized as valid. In another case when a voting right is exercised multiple times via the Internet, the last vote entered will be recognized as valid.
- A password is important information by which a voting person is confirmed as a shareholder. Please treat your password with care as you would your seal or PIN code.
- Please note that if an incorrect password is entered more than a specified number of times, you will be unable to use it. In case you want your password reissued, please follow instructions on the screen.
- The vote exercising code written on the Voting Rights Exercise Form is effective only for this General Meeting of Shareholders.

# Reference Documents for the General Meeting of Shareholders

## Proposals and References

### Proposal 1: Appropriation of Surplus

The distribution of stable and consecutive dividends to shareholders while retaining an appropriate amount of internal reserve required for future business development and reinforcement of management base is the Company's basic policy on distribution of profits.

Based on this policy, as well as in light of the Company's performance for this fiscal year, future business development and reinforcement of management base, an ordinary dividend for this fiscal year is proposed to be ¥50 per share.

- (1) Type of dividend property  
Cash
- (2) Allocation of dividend property and total amount thereof  
¥50 per share of common stock of the Company  
Total amount of dividends: ¥3,417,213,850
- (3) Effective date of dividends from surplus  
March 28, 2025

**Proposal 2: Election of Six Directors (Excluding Directors who are Audit and Supervisory Committee Members)**

The terms of office of all the eight Directors (excluding Directors who are Audit and Supervisory Committee Members; the same shall apply hereinafter in this proposal) will expire at the conclusion of this General Meeting of Shareholders.

Accordingly, the election of six Directors is proposed.

The candidates are as stated below.

**Audit and Supervisory Committee's Opinion**

The Audit and Supervisory Committee examined the content of this proposal based on the Code of Audit and Supervisory Committee Auditing and Supervising Standards. As a result, there were no particular matters to be pointed out regarding the election of Directors, such as whether the Board of Directors had appropriately established policies and procedures regarding the election and whether the election had been conducted through appropriate procedures, including deliberations by the Nominating and Remuneration Committee.

Male: 5 persons (83%), Female: 1 person (17%)

No.	Name		Current positions at the Company	Years of service as Director	Attendance of the Board of Directors meetings in FY2024
1	<b>Hirohiko Miyata</b>	Reappointment	Representative Director, President and Chief Executive Officer	1 year and 9 months	20 / 20 (100%)
2	<b>Ryo Suzuki</b>	New appointment	Executive Managing Officer, CFO	—	—
3	<b>Kazuki Shimizu</b>	New appointment	External Director	—	—
4	<b>Masayuki Sugiyama</b>	New appointment	External Director	—	—
5	<b>Masato Kobayashi</b>	Reappointment	External Director, Independent Director, Nominating and Remuneration Committee Member	4 years	20 / 20 (100%)
6	<b>Yuko Maeda</b>	New appointment	External Director, Independent Director	—	—

\* The current positions at the Company are as of the date of dispatch of this Notice of Convocation of the Annual General Meeting of Shareholders.

\* Years of service as Director are as the conclusion of this General Meeting of Shareholders.

No.	Name (Date of birth)	Career summary, positions, and responsibilities at the Company	Number of shares of the Company held
1	Hirohiko Miyata (November 17, 1962)  <u>Reappointment</u>	April 1987      Joined Mitsui & Co., Ltd. April 2012      General Manager of Electric Power Business Development Division, Infrastructure Projects Business Unit, Mitsui & Co., Ltd. October 2015    General Manager of Infrastructure Business Development Division, Infrastructure Projects Business Unit, Mitsui & Co., Ltd. January 2016    SVP & CAO, Mitsui & Co. (U.S.A.), Inc. (in New York) April 2017      Executive Officer, General Manager of Business Management Division, Mitsui & Co., Ltd. April 2020      Executive Managing Officer, Mitsui & Co., Ltd. Chief Operating Officer of Europe, Middle East, and Africa Unit, Mitsui & Co., Ltd. and President, Mitsui & Co. Europe PLC (in London) April 2021      Executive Managing Officer, Mitsui & Co., Ltd. Chief Representative of Europe, and President, Mitsui & Co. Europe PLC (in London) April 2022      Senior Executive Managing Officer, Mitsui & Co., Ltd. Chief Representative of Europe, CSO of Europe Block, CSO of Middle East and Africa Block, and President & CSO, Mitsui & Co. Europe PLC (in London) August 2022    Senior Executive Managing Officer, Mitsui & Co., Ltd. Chief Representative of Europe, and President, Mitsui & Co. Europe PLC (in London) April 2023      Advisor, Mitsui & Co., Ltd. June 2023      Executive Vice President, Assistant to President of the Company June 2023      Director, Executive Vice President, Assistant to President of the Company March 2024    Representative Director, President and Chief Executive Officer of the Company (current position)	1,700
		Reasons for selection as a Director candidate Mr. Hirohiko Miyata has been successively selected as a candidate for Director, as he has acquired abundant international experience and experience as a member of the management at a major general trading company and supervised the overall business execution of the Company, which are expected to be leveraged in decision-making and the supervision of business execution by the Board of Directors.	

No.	Name (Date of birth)	Career summary, positions and responsibilities at the Company	Number of shares of the Company held
2	Ryo Suzuki (October 19, 1962) <u>New appointment</u>	<p>July 1987      Joined Mitsui Bank (currently Sumitomo Mitsui Banking Corporation)</p> <p>April 2006      Senior Examiner of Structure Examination Department, Mitsui Bank</p> <p>March 2009      President of SMBC Securities, Inc. (in New York)</p> <p>February 2012    Head of Americas Business Dept. No. 4, Sumitomo Mitsui Banking Corporation (in New York)</p> <p>April 2013      Head of Americas Examination Dept., Sumitomo Mitsui Banking Corporation (in New York)</p> <p>April 2015      Executive Officer, Deputy General Manager of Americas Division, Sumitomo Mitsui Banking Corporation (in New York)</p> <p>September 2017   SMBC Nikko Securities America, Inc.</p> <p>April 2019      Executive Officer, Deputy Head of Wholesale Banking Unit, Deputy Head of International Banking Unit, Sumitomo Mitsui Banking Corporation</p> <p>May 2020      Executive Officer, General Manager of Finance Department of the Company</p> <p>March 2024      Executive Managing Officer, CFO, in charge of Accounting Department, Finance Department and Budget and Planning Group, General Manager of Finance of the Company</p> <p>May 2024      Executive Managing Officer, CFO, in charge of Accounting Department, Finance Department, Budget and Planning Group and SPC Accounting Group, General Manager of Finance of the Company</p> <p>June 2024      Executive Managing Officer, CFO, in charge of Accounting Department, Finance Department, Budget and Planning Group and SPC Accounting Group of the Company (current position)</p>	200
Reasons for selection as a Director candidate			
Mr. Ryo Suzuki has been newly selected as a candidate for Director, as he has acquired outstanding expertise cultivated through his work experience in the accounting and finance divisions of financial institutions and the Company and has been in charge of the accounting and finance divisions of the Company.			
3	Kazuki Shimizu (January 15, 1967) <u>New appointment</u> <u>External Director</u>	<p>April 1993      Joined Mitsui &amp; Co., Ltd.</p> <p>January 2016      General Manager of Infrastructure Business Development Division, Mitsui &amp; Co., Ltd.</p> <p>April 2019      S.V.P, Project Division and Divisional Operating Office, Americas Business Unit, Mitsui &amp; Co. (U.S.A.), Inc.</p> <p>October 2022      General Manager of Investment Administration Department, Investment Administrative Division, Mitsui &amp; Co., Ltd.</p> <p>April 2024      Managing Officer, General Manager of Investment Administrative Division, Mitsui &amp; Co., Ltd. (current position)</p> <p>April 2025      Managing Officer, Chief Operating Officer of Infrastructure Projects Business Unit, Mitsui &amp; Co., Ltd. (scheduled)</p>	0
Significant concurrent positions			
Executive Officer, Mitsui & Co., Ltd.			
Reasons for selection as an External Director candidate and expected roles			
Mr. Kazuki Shimizu has been newly selected as a candidate for External Director, as he is judged to be capable of advising the overall management of the Company, based on his wide range of business experience at a major general trading company as well as practical knowledge related to the Company's business.			

No.	Name (Date of birth)	Career summary, positions and responsibilities at the Company	Number of shares of the Company held
4	Masayuki Sugiyama (August 28, 1970)  <div style="border: 1px solid black; padding: 2px; display: inline-block;">New appointment</div> <div style="border: 1px solid black; padding: 2px; display: inline-block;">External Director</div>	<p>April 1993      Joined Mitsui O.S.K. Lines, Ltd.</p> <p>June 2014      Group Leader of LNG Unit 2, LNG Carrier Division, Mitsui O.S.K. Lines, Ltd.</p> <p>June 2016      Seconded to Houston Office, Mitsui O.S.K. Bulk Shipping (USA), LLC</p> <p>April 2019      General Manager of Steaming Coal &amp; Energy Project Division, Mitsui O.S.K. Lines, Ltd.</p> <p>April 2020      General Manager of Steaming Coal &amp; Renewable Energy Project Division, Mitsui O.S.K. Lines, Ltd.</p> <p>April 2021      General Manager of Wind Power Energy Business Division, Mitsui O.S.K. Lines, Ltd.</p> <p>April 2022      Head of Wind Power Projects Unit, Integrated Wind &amp; Carbon Power Solutions, Mitsui O.S.K. Lines, Ltd.</p> <p>April 2023      Executive Officer, Responsible for Carbon Power Solutions Unit and Wind Power Projects Unit, Integrated Wind &amp; Carbon Power Solutions, Mitsui O.S.K. Lines, Ltd.</p> <p>April 2024      Executive Officer, Responsible for Electric Power Unit (In charge of Fuel for electric power generation (excluding LNG) transport business) of Carbon Solution Projects, and Wind Power Unit of Wind Power and Offshore Projects, Mitsui O.S.K. Lines, Ltd. (current position)</p> <p>April 2025      Managing Executive Officer, Deputy Director General, Headquarters of Energy Business, Responsible for Wind Power and Offshore Projects, Secondarily Responsible for Regional Strategy in Japan, Mitsui O.S.K. Lines, Ltd. (scheduled)</p> <p>Significant concurrent positions Executive Officer, Mitsui O.S.K. Lines, Ltd.</p> <p>Reasons for selection as an External Director candidate and expected roles Mr. Masayuki Sugiyama has been newly selected as a candidate for External Director, as he is judged to be capable of advising the overall management of the Company, based on his abundant knowledge, experience and managerial capability primarily in the offshore business field, cultivated through his service at a major shipping company, as well as his extensive work experience in the field of international business.</p>	0

No.	Name (Date of birth)	Career summary, positions and responsibilities at the Company	Number of shares of the Company held
5	Masato Kobayashi (April 5, 1960)  <u>Reappointment</u> <u>External Director</u> <u>Independent Director</u>	<p>April 1986 Registered as an attorney (Dai-Ichi Tokyo Bar Association) Joined YUASA AND HARA</p> <p>January 1996 Partner, YUASA and HARA</p> <p>February 1997 Outside Statutory Auditor, Oracle Corporation Japan</p> <p>July 1997 Founded Hirakawa, Sato &amp; Kobayashi (currently City-Yuwa Partners), Partner</p> <p>February 2003 Partner, City-Yuwa Partners (current position)</p> <p>January 2020 Outside Statutory Auditor, Tsukishima Kikai Co., Ltd. (currently TSUKISHIMA HOLDINGS CO., LTD.)</p> <p>June 2020 Outside Director, eBook Initiative Japan Co., Ltd.</p> <p>December 2020 External Audit &amp; Supervisory Board Member, Japan Platform of Industrial Transformation, Inc. (current position)</p> <p>March 2021 External Director of the Company (current position)</p>	0
		<p>Significant concurrent positions</p> <p>Partner, City-Yuwa Partners</p> <p>External Audit &amp; Supervisory Board Member, Japan Platform of Industrial Transformation, Inc.</p> <p>Director, Misaki Engagement Master Fund</p> <p>Director, Misaki Engagement Fund II Ltd.</p>	
		<p>Reasons for selection as an External Director candidate and expected roles</p> <p>Mr. Masato Kobayashi has been advising the overall management of the Company based on a wealth of experience and professional insight on overall legal affairs as an attorney. Although he has not been involved in the management of a company in any way other than serving as an external director or external auditor in the past, the Company believes that he will continue to be able to appropriately perform his duties as an External Director, and successively selected him as a candidate for External Director. He satisfies the Criteria for the Independence of External Directors established by the Company.</p>	

No.	Name (Date of birth)	Career summary, positions and responsibilities at the Company	Number of shares of the Company held	
6	Yuko Maeda (July 26, 1960) <u>New appointment</u> <u>External Director</u> <u>Independent Director</u>	April 1984 May 2013 April 2014 May 2014 January 2017 March 2019 June 2020 June 2021 May 2023	Joined Bridgestone Corporation Vice President and Officer, Bridgestone Corporation Auditor, Japan Agency for Marine-Earth Science and Technology Councillor, Headquarters for Ocean Policy, Cabinet Office Board Member, Cellbank Corp. (current position) Outside Audit & Supervisory Board Member, Chugai Pharmaceutical Co., Ltd. External Director, KOSÉ Corporation Outside Director, Asahi Kasei Corp. (current position) Member of Intellectual Property Committee, the Cabinet Office Strategic Innovation Creation Program 3 <sup>rd</sup> Term, “National Platform for Innovative Ocean Developments,” (current position)	0
		Significant concurrent positions Outside Director, Asahi Kasei Corp. Director, Cellbank Corp.		
		Reasons for selection as an External Director candidate and expected roles Ms. Yuko Maeda has been newly selected as a candidate for External Director, as she is judged to be capable of supervising and advising the overall management of the Company from an objective standpoint, based on her extensive knowledge and wealth of experience in management through her career at major manufacturing companies and research institutions. She satisfies the Criteria for the Independence of External Directors established by the Company.		

- (Notes)
- For candidates who currently serve or had served during the past ten years as executives at Mitsui O.S.K. Lines, Ltd. and Mitsui & Co., Ltd., major shareholders of the Company, their positions and responsibilities at relevant companies are stated in the above “Career summary, positions and responsibilities at the Company,” and “Significant concurrent positions.” Other candidates for Directors have no special interest in the Company.
  - The term of office of the current External Director as the Company’s External Director will be four years for Mr. Masato Kobayashi as of the conclusion of this General Meeting of Shareholders.
  - Liability limitation contract with the Directors (excluding those serving as Executive Directors, etc.)  
The Company has entered into a contract with Mr. Masato Kobayashi to limit his liabilities for compensation of damages prescribed in Article 423, Paragraph 1 of the Companies Act. The maximum amount of liability under the contracts shall be the minimum amount prescribed in Article 425, Paragraph 1 of the said Act. If this Proposal is approved, the Company intends to renew the liability limitation contracts with him and newly enter into contracts of the same content with Messrs. Kazuki Shimizu, Masayuki Sugiyama and Ms. Yuko Maeda.
  - The Company has entered into an officers’ liability insurance contract to indemnify all of the Company’s Directors, the insured under the contract, for any damages they may incur as a result of being held liable for the execution of their duties, or receiving a claim associated with the pursuit of such liability. If they assume the office of Director, they will be insured under the contract, which will be renewed during their terms of office.
  - The numbers of shares of the Company held by the candidates are as of December 31, 2024.

[Reasons for selecting each item in the skill matrix]

Item	Reasons for selection
Corporate management	In order to fulfill the role of monitoring management expected of the Board of Directors, it is necessary to have knowledge and experience in corporate management.
International experience	Since our business mainly serves overseas business companies, almost 100% of our sales are recorded overseas, and since we have a so-called global value chain, it is necessary to have international experience.
Legal and compliance	Since negotiations with customers and contractors are complex and diverse, it is necessary to have knowledge and experience in contract practices and laws and regulations of various countries from the perspective of risk management.
Finance, accounting, and taxation	In order to monitor the soundness of management by preparing accurate financial reports, as well as from the perspective of risk management, it is necessary to have knowledge and experience in finance, accounting, and taxation.
Internal control and governance	The establishment of an appropriate governance system is the foundation for sustainable growth, and it is necessary to have knowledge and experience in governance to exercise the supervisory function over globally operating subsidiaries.
Human resource management and development	In order to maximize capabilities, it is necessary to have knowledge and experience in human resource management and development, including the promotion of DE&I.
Environment and society	It is necessary to have a perspective that can serve as a foundation for innovation and new business initiatives in light of the decarbonization trends.

(Reference) Skill matrix [after the shareholders' meeting]

Name	Reappointment / New appointment	External / Independent	Knowledge and experience possessed by the officers						
			Corporate management	International experience	Legal and compliance	Finance, accounting, and taxation	Internal control and governance	Human resource management and development	Environment and society
Directors (excluding those who are Audit and Supervisory Committee Members)									
Hirohiko Miyata	Re-appointment		○	○	○		○		○
Ryo Suzuki	New appointment		○	○		○	○		○
Kazuki Shimizu	New appointment	External	○	○			○		
Masayuki Sugiyama	New appointment	External	○	○				○	○
Masato Kobayashi	Re-appointment	External, Independent	○		○		○		
Yuko Maeda	New appointment	External, Independent	○				○	○	○
Directors who are Audit and Supervisory Committee Members									
Yoshihiro Takamura	Current position		○	○		○	○		
Hiroko Noda	Current position	External, Independent	○	○		○	○	○	
Toshihiko Fujita	Current position	External, Independent			○	○	○	○	
Masaaki Amma	Current position	External, Independent	○	○		○	○	○	○

## Criteria of the Independence of External Directors

The Company deems External Directors or candidates for such positions to be independent if they are judged as not falling under any of the following items as the result of the investigation conducted by the Company to the extent reasonably possible.

- (1) Executors of operations of the Company and its subsidiaries or affiliates (hereinafter collectively “the Company Group”) or persons who have been executors of operations of the Company Group within the past 10 years.
- (2) Those who have been directors, corporate auditors or executors of operations of the Company’s current major shareholders or its consolidated subsidiaries within the past 10 years.
- (3) Parties in which the Company directly or indirectly control 10% or more of the total voting rights or executors of operations thereof.
- (4) Major business partners of the Company Group or their executors of operations.
- (5) Those who belong to the auditing firm that is the financial auditor of the Company or its consolidated subsidiaries.
- (6) Those who render professional services, such as consultants, attorneys, certified public accountants and the like and receive a large amount of money or other material benefits other than executive remuneration from the Company Group (including those who belong to corporations, partnerships and the like, including consulting firms, law firms and auditing firms, which receive a large amount of money or other material benefits from the Company Group).
- (7) Executors of operations of bodies including corporations and partnerships which, or persons who, receive a large amount of donations from the Company Group.
- (8) Executors of operations of a company that has appointed executors of operations of the Company Group as its own officers.
- (9) Those who have fallen under the definition of items (3) to (8) above within the last 3 years.
- (10) In cases where those who have fallen under the definition of items (1) to (8) above are important persons, their spouses or relatives within the second degree of kinship.
- (11) Any other person who is likely to have a conflict of interests with general shareholders and is subject to circumstances reasonably deemed to make him/her unable to fulfill his/her duties as an independent External Director.

## Overview and Results of Operations

During 2024, the global economy remained firm with inflation gradually slowing down and interest rates falling in major regions, particularly in the United States. However, it continued to face an uncertain outlook with concerns about the impact of the continued stagnation in China and geopolitical risks such as the situation in the Middle East.

WTI oil prices briefly rose to the high US\$80s a barrel for a time due to factors such as rising concerns about a decrease in supply caused by further destabilization of the situation in the Middle East. After that, there was a mixture of bullish and bearish factors as there was a sense that the growth in demand for crude oil was slowing due to the slowdown in the Chinese economy, while OPEC Plus continued to voluntarily reduce production and the U.S. economy remained strong. As a result, the price generally fluctuated in the range of US\$70 to US\$80 a barrel.

Given that maintaining a stable energy supply while concurrently embracing the trend toward decarbonization remains a critical issue, the oil companies have been proceeding with deep-sea oil and gas fields as these are the areas where sufficient reserves are confirmed for the future and that are also cost competitive. Demand has also remained strong for projects related to floating offshore oil and gas production facilities, which is the Group's main business, especially in ultra-deepwater large-scale projects where the Group has a competitive advantage.

For the Group's operating results in 2024, orders amounted to US\$1,240,853 thousand (down 85.8% from the previous year). While no new large-scale construction projects were ordered, there was an increase in the amount of contracts resulting from changes in specifications and extension of the duration in existing FPSO construction projects, as well as orders for extension of operation periods and maintenance and renovation work. The order backlog was US\$12,944,335 thousand (down 23.0% from the previous year) due partly to the steady progress of the existing large-scale construction projects.

In terms of revenue and profit, in addition to the increase in revenue and gross profit due to the steady progress of the FPSO construction projects, the operation and charter business also improved its profitability as the large-scale repairs that have been conducted resulted in improved capacity utilization and reduced additional repair costs. As a result, revenue increased significantly to US\$4,186,461 thousand (up 17.1% from the previous year), and operating profit, including equity in earnings of unconsolidated subsidiaries and affiliates of US\$154,004 thousand (up 19.7% from the previous year), also increased significantly to US\$322,901 thousand (up 67.4% from the previous year).

In addition, the recognition of deferred tax assets due to improved future expected profits resulting from the strengthening of the earnings base resulted in profit attributable to owners of parent of US\$220,404 thousand (up 128.3% from the previous year) despite factors pushing down finance income due to the recognition of valuation allowance for losses on loans to affiliated companies.

During 2024, the Company conducted a secondary offering of shares held by Mitsui E&S Co., Ltd., which was a major shareholder of the Company. In addition to the fact that the secondary offering of shares has improved the ratio of shares outstanding and has met the criteria for maintaining a listing on the Prime Market, the Company believes that it will lead to an expansion and enrichment of the shareholder base that will support the Company's medium- to long-term strategy.

# Financial Statements

## Consolidated Statement of Financial Position (December 31, 2024)

(Thousands of US dollars)

Description	Amount	Description	Amount
<b>Assets</b>	<b>4,496,651</b>	<b>Liabilities</b>	<b>3,298,183</b>
<b>Total current assets</b>	<b>2,410,745</b>	<b>Total current liabilities</b>	<b>2,734,850</b>
Cash and cash equivalents	1,253,276	Trade and other payables	1,326,995
Trade and other receivables	752,408	Contract liabilities	877,573
Contract assets	195,692	Borrowings	55,549
Loans receivable	6,842	Income taxes payable	112,170
Other financial assets	52,105	Provisions	128,935
Other current assets	150,419	Other financial liabilities	182,633
		Other current liabilities	50,994
<b>Total non-current assets</b>	<b>2,085,906</b>	<b>Total non-current liabilities</b>	<b>563,332</b>
Property and equipment	71,102	Bonds and borrowings	458,885
Intangible assets	39,669	Defined benefit liability	44,841
Investments accounted for using equity method	1,587,851	Provisions	18,979
Loans receivable	307,321	Other financial liabilities	39,517
Other financial assets	14,702	Other non-current liabilities	1,109
Deferred tax assets	62,496		
Other non-current assets	2,763	<b>Equity</b>	<b>1,198,468</b>
		Common stock	190,495
		Capital surplus	168,963
		Retained earnings	722,724
		Treasury shares	(1,093)
		Other components of equity	99,344
		<b>Equity attributable to owners of parent</b>	<b>1,180,435</b>
		Non-controlling interests	18,033
<b>Total assets</b>	<b>4,496,651</b>	<b>Total liabilities and equity</b>	<b>4,496,651</b>

(Note) The figures are rounded down to the nearest thousand US dollars.

**Consolidated Statement of Income**  
(For the year ended December 31, 2024)

(Thousands of US dollars)

Description	Amount
Revenue	4,186,461
Cost of sales	(3,793,650)
<b>Gross profit</b>	<b>392,811</b>
Selling, general and administrative expenses	(223,943)
Equity in earnings of unconsolidated subsidiaries and affiliates	154,004
Other income	576
Other expenses	(548)
<b>Operating profit</b>	<b>322,901</b>
Finance income	68,249
Finance costs	(83,174)
Profit before tax	307,975
Income tax expense	(44,670)
Profit	263,305
Profit attributable to	
Owners of parent	220,404
Non-controlling interests	42,900
Profit	263,305
Earnings per share	
Basic earnings per share (US dollars)	3.23
Diluted earnings per share (US dollars)	3.23

## Non-Consolidated Balance Sheet (December 31, 2024)

(Millions of Japanese yen)

Description	Amount	Description	Amount
<b>(Assets)</b>		<b>(Liabilities)</b>	
<b>Current assets</b>	<b>251,881</b>	<b>Current liabilities</b>	<b>278,316</b>
Cash and time deposits	12,085	Accounts payable - trade	149,647
Accounts receivable - trade	97,834	Current portion of long-term loans payable	8,785
Contract assets	28,587	Lease obligations	28
Advance payments – trade	12,840	Accounts payable – other	785
Prepaid expenses	1,139	Accrued expenses	3,117
Short-term loans receivable	5,859	Income taxes payable	3,450
Accrued income	4,780	Contract liabilities	110,906
CMS deposits	88,323	Deposits received	84
Other current assets	4,090	Accrued employees' bonuses	491
Less - allowance for bad debts	(3,660)	Accrued directors' bonuses	142
		Provision for loss on order received	823
		Other current liabilities	53
<b>Non-current assets</b>	<b>97,475</b>	<b>Non-current liabilities</b>	<b>7,600</b>
<b>Property and equipment</b>	<b>117</b>	Long-term loans payable	6,338
Buildings	31	Lease obligations	63
Tools, furniture and fixtures	4	Provision for retirement benefits	910
Leased assets	81	Provision for directors' retirement benefits	288
<b>Intangible assets</b>	<b>47</b>	<b>Total liabilities</b>	<b>285,916</b>
Software	41	<b>(Net assets)</b>	
Software in progress	6	<b>Shareholders' equity</b>	<b>63,439</b>
<b>Investments and other assets</b>	<b>97,310</b>	<b>Common stock</b>	<b>18,166</b>
Investment in subsidiaries and affiliates	89,536	<b>Capital surplus</b>	<b>18,573</b>
Long-term loans receivable from unconsolidated subsidiaries and affiliated companies	21,837	<b>Legal capital surplus</b>	<b>18,573</b>
Deferred tax assets	1,095	<b>Retained earnings</b>	<b>26,818</b>
Other investments	226	Legal retained earnings	68
Less - allowance for bad debts	(15,385)	Other retained earnings	26,750
		Retained earnings brought forward	26,750
		Less - treasury stock at cost	(119)
		<b>Total net assets</b>	<b>63,439</b>
<b>Total assets</b>	<b>349,356</b>	<b>Total liabilities and net assets</b>	<b>349,356</b>

**Non-Consolidated Statement of Income**  
(For the year ended December 31, 2024)

(Millions of Japanese yen)

Description	Amount	
Sales		489,648
Cost of sales		453,686
<b>Gross profit</b>		<b>35,961</b>
Selling general and administrative expenses		13,800
<b>Operating profit</b>		<b>22,161</b>
Non-operating income		
Guarantee commission received	355	
Interest and dividend income	11,849	
Foreign exchange gains	4,133	
Other	6	16,345
Non-operating expenses		
Interest expense	2,047	
Commission expenses	431	
Other	209	2,688
Ordinary profit		35,818
Extraordinary losses		
Provision of allowance for doubtful accounts	7,376	7,376
<b>Profit before income taxes</b>		<b>28,441</b>
Income taxes - current		3,808
Income taxes - deferred		(2,332)
<b>Profit</b>		<b>26,966</b>