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(Securities Code: 6269)  
March 11, 2022

**To Our Shareholders with Voting Rights:**

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

**NOTICE OF CONVOCATION OF  
THE 36<sup>TH</sup> ANNUAL GENERAL MEETING OF SHAREHOLDERS**

Please be advised that the 36th Annual General Meeting of Shareholders of MODEC, INC. (the “Company”) to be held as described below.

As the result of careful consideration to this General Meeting of Shareholders from the viewpoint of preventing further spread of the COVID-19, the Company has decided to hold this meeting with appropriate measures to prevent infection. For individual safety and security, shareholders are kindly requested to exercise your voting rights prior to the meeting in writing or via the Internet, etc., instead of attending the meeting in person as much as possible.

Please review the attached Reference Documents for the General Meeting of Shareholders and exercise your voting rights by 5:40 p.m. on Monday, March 28, 2022.

- 1. Date and Time:** Tuesday, March 29, 2022, 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 & Supervisory Board for the 36th Term (from January 1, 2021 to December 31, 2021)
  2. Non-consolidated Financial Statements for the 36th Term (from January 1, 2021 to December 31, 2021)

**Matters to be resolved:**

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|--------------------|---|
| <b>Proposal 1:</b> | Partial Amendments to the Articles of Incorporation |
| <b>Proposal 2:</b> | Election of Ten Directors                           |
| <b>Proposal 3:</b> | Election of One Audit & Supervisory Board Member    |

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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.

\* Please note that no commemorative gift will be provided to shareholders attending the meeting. We would appreciate your kind understanding.

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

### **1. Disclosures on the Website**

Consolidated Statement of Changes in Equity and Notes to Consolidated Financial Statements as well as Non-Consolidated Statement of Changes in Net Assets and Notes to Non-consolidated Financial Statements are posted on the Company's website (<https://www.modec.com/jp/>) (Japanese only) pursuant to applicable laws and regulations as well as Article 15 of the Company's Articles of Incorporation, and they are not included in the Appendix to this notice. Accordingly, the Consolidated Financial Statements and Non-consolidated Financial Statements included in the Appendix to this notice are part of the Consolidated Financial Statements and Non-consolidated Financial Statements which the Independent Auditor audited in preparing the Accounting Audit Report. The Operations Report, Consolidated Financial Statements, and Non-consolidated Financial Statements included in the Appendix to this notice are part of the Operations Report, Consolidated Financial Statements, and Non-consolidated Financial Statements which the Audit & Supervisory Board Members audited in preparing the Audit Report.

### **2. Revisions on the Website**

In case of circumstances requiring revisions to the Reference Documents for the General Meeting of Shareholders, Operations Report, Consolidated Financial Statements or Non-consolidated Financial Statements, the revised items will be posted on the Company's website (<https://www.modec.com/>).

### **3. Adoption of International Financial Reporting Standards (IFRS) and presentation currency**

The Company has adopted the International Financial Reporting Standards (IFRS) instead of the Japanese Generally Accepted Accounting Principles (J-GAAP) from the end of the fiscal year ended December 31, 2021.

In addition, the presentation currency has changed from the Japanese yen to the US dollar.

## **Use of Electronic Voting Platform (for institutional investors)**

Institutional investors may electronically exercise their voting rights using the electronic voting platform operated by ICJ, Inc. for this General Meeting of Shareholders.

- 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.
- 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: Partial Amendments to the Articles of Incorporation

#### 1. Reasons for the amendments

With the amendments to the Companies Act in 2019, companies are now allowed to provide reference materials for general meetings of shareholders, etc., electronically. At the same time, issuers of book-entry transfer shares (listed companies) are required to stipulate in their Articles of Incorporation that they provide information contained in reference materials for general meetings of shareholders, etc., electronically from the effective date of the amended Companies Act. Accordingly, we propose to amend Article 15 (Disclosure of Reference Materials and Other Documents for the General Meeting of Shareholders on the Internet and their Deemed Provision) of the current Articles of Incorporation.

#### 2. Details of the amendments

The details of the amendments are as follows.

(Amended parts are underlined.)

Current Articles of Incorporation	Proposed Amendments
CHAPTER III. GENERAL MEETINGS OF SHAREHOLDERS	CHAPTER III. GENERAL MEETINGS OF SHAREHOLDERS
Article 15. ( <u>Disclosure of Reference Materials and Other Documents for the General Meeting of Shareholders on the Internet and their Deemed Provision</u> )	Article 15. ( <u>Provision of Materials for the General Meeting of Shareholders in electronic format</u> )
<u>Where the Company has, on convening a general meeting of shareholders, disclosed information that should be described or displayed in reference materials for the general meeting of shareholders, business reports, financial statements and consolidated financial statements by using the Internet in accordance with the Ministry of Justice Ordinances, the Company shall be deemed to have duly provided such information to shareholders.</u>	(Deleted)
(Newly established)	1. <u>The Company shall, when convening a general meeting of shareholders, provide information contained in the reference materials for the general meeting of shareholders, etc. electronically.</u>
(Newly established)	2. <u>Among the matters to be provided electronically, the Company may choose not to include all or part of the matters stipulated in the Ordinance of the Ministry of Justice in the paper copy to be sent to shareholders who have requested it by the record date for voting rights.</u>
(Newly established)	( <u>Supplementary provisions</u> ) 1. <u>The deletion of Article 15 (Disclosure of Reference Materials and Other Documents for the General Meeting of Shareholders on the Internet and their Deemed Provision) of the current Articles of Incorporation and the newly established Article 15 (Provision of Materials for the General Meeting of Shareholders in electronic format) shall come into effect on September 1, 2022 (the “Effective Date”).</u> 2. <u>Notwithstanding the provisions of the preceding paragraph, Article 15 of the current Articles of</u>

Incorporation shall remain in force with respect to a general meeting of shareholders to be held on a date within six months from the Effective Date.

3. These supplementary provisions shall be deleted after the lapse of six months from the Effective Date or the lapse of three months from the date of the general meeting of shareholders set forth in the preceding paragraph, whichever is later.

## Proposal 2: Election of Ten Directors

The terms of office of all the nine current Directors will expire at the conclusion of this General Meeting of Shareholders.

Accordingly, the election of ten Directors is proposed, including seven External Directors.

The candidates for Directors are as stated below.

No.	Name	Current positions and responsibilities at the Company	Attendance of the Board of Directors meetings in FY2021
1	<b>Takeshi Kanamori</b> <u>Reappointment</u>	Representative Director, President and Chief Executive Officer Nomination and Remuneration Committee Member	19 / 19 (100%)
2	<b>Yasuhiro Takano</b> <u>New appointment</u>	Executive Managing Officer, CFO (Chief Financial Officer) In charge of Human Resources Department General Manager of Human Resources Department	–
3	<b>Katsuyuki Imaizumi</b> <u>New appointment</u>	Executive Managing Officer, President & CEO of MODEC International, Inc. (MII) Head of Project Development	–
4	<b>Ryoichi Oka</b> <u>New appointment</u> <u>External Director</u>	–	–
5	<b>Koichi Wakana</b> <u>New appointment</u> <u>External Director</u>	–	–
6	<b>Shigenobu Aikyo</b> <u>Reappointment</u> <u>External Director</u> <u>Independent Director</u>	External Director, Chairman of Nominating and Remuneration Committee	19 / 19 (100%)
7	<b>Hiroko Noda</b> <u>Reappointment</u> <u>External Director</u> <u>Independent Director</u>	External Director, Nominating and Remuneration Committee Member	18 / 19 (95%)
8	<b>Kazuko Shiraishi</b> <u>Reappointment</u> <u>External Director</u> <u>Independent Director</u>	External Director, Nominating and Remuneration Committee Member	19 / 19 (100%)
9	<b>Kazuhisa Nishigai</b> <u>Reappointment</u> <u>External Director</u> <u>Independent Director</u>	External Director, Nominating and Remuneration Committee Member	19 / 19 (100%)
10	<b>Masato Kobayashi</b> <u>Reappointment</u> <u>External Director</u> <u>Independent Director</u>	External Director, Nominating and Remuneration Committee Member	15 / 15 (100%)

No.	Name (Date of birth)	Career summary, positions and responsibilities at the Company, and significant concurrent positions	Number of shares of the Company held
1	Takeshi Kanamori (September 7, 1956) <u>Reappointment</u>	<p>April 1980      Joined Mitsui &amp; Co., Ltd.</p> <p>October 2005    General Manager of First Plant Projects Division, Infrastructure Projects Business Unit, Mitsui &amp; Co., Ltd.</p> <p>August 2007    General Manager of Second Projects Development Division, Infrastructure Projects Business Unit, Mitsui &amp; Co., Ltd.</p> <p>October 2009    Operating Officer of Infrastructure Projects Business Unit, Mitsui &amp; Co., Ltd.</p> <p>March 2010      Chairman &amp; Managing Director, Mitsui &amp; Co. (Shanghai) Ltd.</p> <p>April 2011      Managing Officer, Mitsui &amp; Co., Ltd. Deputy Chief Representative, Mitsui &amp; Co., Ltd. in China and Chairman &amp; Managing Director, Mitsui &amp; Co. (Shanghai) Ltd.</p> <p>April 2012      Executive Officer, Chief Operating Officer of Infrastructure Projects Business Unit, Mitsui &amp; Co., Ltd.</p> <p>March 2013      External Director of the Company</p> <p>April 2013      Executive Managing Officer, Chief Operating Officer of Infrastructure Projects Business Unit, Mitsui &amp; Co., Ltd.</p> <p>April 2016      Senior Executive Managing Officer, Mitsui &amp; Co., Ltd. Chief Representative, Mitsui &amp; Co., Ltd. in China and Chairman &amp; Managing Director, Mitsui &amp; Co., Ltd. in China</p> <p>March 2018      Director, Executive Vice President, Assistant to President of the Company</p> <p>July 2018        CCO (Chief Compliance Officer), in charge of Legal Department and Compliance Group</p> <p>March 2019      CCO (Chief Compliance Officer), and in charge of Compliance Group</p> <p>April 2020      CCO (Chief Compliance Officer), in charge of Legal Department and Compliance Group</p> <p>April 2021      Representative Director, President and Chief Executive Officer of the Company (current position)</p>	9,300
		<p>Reasons for selection as a Director candidate</p> <p>Mr. Takeshi Kanamori has been successively selected as a candidate for Director, as he has acquired abundant experience as a member of the management of a major general trading company, supervised the overall business execution of the Company, and has been in charge of Legal and Compliance Departments, etc.</p>	
2	Yasuhiro Takano (December 25, 1957) <u>New appointment</u>	<p>April 1980      Joined Mitsui Bank (currently Sumitomo Mitsui Banking Corporation)</p> <p>April 2004      Seconded to the Company</p> <p>March 2005      General Manager of Operations Department and General Manager of Corporate Planning &amp; Strategies of the Company</p> <p>July 2006        Transferred to the Company</p> <p>December 2007    General Manager of Accounting Department and General Manager of Corporate Planning &amp; Strategies of the Company</p> <p>May 2010        General Manager of Corporate Planning &amp; Strategies Department of the Company</p> <p>April 2012      Deputy Director, General Manager of Corporate Planning &amp; Strategies Department of the Company</p> <p>April 2013      Executive Officer, General Manager of Corporate Planning &amp; Strategies Department of the Company</p> <p>April 2016      Executive Managing Officer, CFO of the Company</p> <p>April 2021      Executive Managing Officer, CFO, in charge of Human Resources Department, General Manager of Human Resources Department of the Company (current position)</p>	4,500
		<p>Reasons for selection as a Director candidate</p> <p>Mr. Yasuhiro Takano 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 a financial institution and the Company and has been in charge of the accounting and finance divisions of the Company.</p>	

No.	Name (Date of birth)	Career summary, positions and responsibilities at the Company, and significant concurrent positions	Number of shares of the Company held
3	Katsuyuki Imaizumi (November 23, 1960)  <u>New appointment</u>	April 1983      Joined PENTA-OCEAN CONSTRUCTION CO., LTD. February 2003      Joined the Company, Oil Exploration and Production Department April 2012      Deputy Director of the Company, Seconded to MODEC International, Inc. (MII) May 2016      Deputy Director of the Company, Seconded to MODEC Management Services (Singapore) Pte. Ltd. (MMS) May 2018      Deputy Director, General Manager of Charter Operation Department of the Company, while being seconded to MMS March 2019      Executive Officer, in charge of Project Development Department and Project Finance Department of the Company, while being seconded to MMS January 2020      Executive Officer, in charge of Project Development Department and Project Finance Department of the Company April 2021      Executive Managing Officer of the Company, President & CEO, Head of Project Development of MII (current position)	570
		Reasons for selection as a Director candidate Mr. Katsuyuki Imaizumi has been newly selected as a candidate for Director, as he has acquired a wide range of knowledge related to project management through his duties in the Company and its affiliated companies, as well as having been in charge of business activities in the Company.	

No.	Name (Date of birth)	Career summary, positions and responsibilities at the Company, and significant concurrent positions	Number of shares of the Company held
4	Ryoichi Oka (October 8, 1958)  <u>New appointment</u> <u>External Director</u>	<p>April 1981      Joined Mitsui Engineering &amp; Shipbuilding Co., Ltd. (currently Mitsui E&amp;S Holdings Co., Ltd.)</p> <p>July 2005      General Manager of Production Planning Dept., Machinery Factory, Machinery &amp; Systems Hq., Mitsui Engineering &amp; Shipbuilding Co., Ltd.</p> <p>March 2006    General Manager of Quality Assurance Dept., Machinery Factory, Machinery &amp; Systems Hq., Mitsui Engineering &amp; Shipbuilding Co., Ltd.</p> <p>January 2011   General Manager of Diesel Design Dept., Machinery Factory, Machinery &amp; Systems Hq., Mitsui Engineering &amp; Shipbuilding Co., Ltd.</p> <p>November 2013 General Manager of Service Center, Technoservice Dept., Machinery &amp; Systems Hq., Mitsui Engineering &amp; Shipbuilding Co., Ltd.</p> <p>April 2014     Associate Executive Officer, General Manager of Technoservice Dept., Machinery &amp; Systems Hq., Mitsui Engineering &amp; Shipbuilding Co., Ltd.</p> <p>April 2015     Executive Officer, Mitsui Engineering &amp; Shipbuilding Co., Ltd.</p> <p>April 2016     Deputy General Manager of Machinery &amp; Systems Hq. (in charge of Industrial Machinery), General Manager of Technoservice Dept., Mitsui Engineering &amp; Shipbuilding Co., Ltd.</p> <p>April 2017     Managing Executive Officer, General Manager of Machinery &amp; Systems Hq., Mitsui Engineering &amp; Shipbuilding Co., Ltd.</p> <p>June 2017      Director, Managing Executive Officer, Mitsui Engineering &amp; Shipbuilding Co., Ltd.</p> <p>April 2018      President and Representative Director of Mitsui E&amp;S Machinery Co., Ltd.</p> <p>June 2018      Resigned Director of Mitsui E&amp;S Holdings Co., Ltd., President, Representative Director, and Executive Officer of Mitsui E&amp;S Machinery Co., Ltd.</p> <p>April 2019      President of Mitsui E&amp;S Holdings Co., Ltd., COO (Chief Operating Officer), CISO (Chief Information Security Officer), In charge of Corporate Planning Dept.</p> <p>June 2019      President and Representative Director, in charge of Auditing Department, Mitsui E&amp;S Holdings Co., Ltd. (current position)</p> <p>November 2019 In charge of Engineering Business Management Dept., Mitsui E&amp;S Holdings Co., Ltd.</p> <p>January 2020   CEO (Chief Executive Officer), Mitsui E&amp;S Holdings Co., Ltd. (current position)</p> <p>April 2021      In charge of Engineering Business Management Dept. and Growth Business Promoting Dept., Mitsui E&amp;S Holdings Co., Ltd. (current position)</p> <p>April 2022      Executive Chairman and Director, Mitsui E&amp;S Holdings Co., Ltd. (scheduled)</p>	0
		<p>Reasons for selection as an External Director candidate and expected roles</p> <p>Mr. Ryoichi Oka 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 cultivated through his involvement in the management of Mitsui E&amp;S Holdings Co., Ltd., as well as his wealth of business experience in the field of engineering, including machinery systems.</p> <p>* Mr. Ryoichi Oka is scheduled to be appointed as Director of the Company on April 1, 2022.</p>	

No.	Name (Date of birth)	Career summary, positions and responsibilities at the Company, and significant concurrent positions	Number of shares of the Company held
5	Koichi Wakana (October 8, 1967)  <u>New appointment</u> <u>External Director</u>	April 1990      Joined Mitsui & Co., Ltd. April 2008      General Manager of Second Sales Office, First Projects Development Division, Infrastructure Projects Business Unit, Mitsui & Co., Ltd. April 2010      General Manager of First Sales Office, Environment and New Energy Business Division, Infrastructure Projects Business Unit, Mitsui & Co., Ltd. April 2013      Deputy Manager of Environment and New Energy Business Division, Infrastructure Projects Business Unit, Mitsui & Co., Ltd. April 2015      General Manager of Third Projects Development Division, Infrastructure Projects Business Unit, Mitsui & Co., Ltd. April 2019      General Manager, Caitan SpA December 2021    Operating Officer of Infrastructure Projects Business Unit, Mitsui & Co., Ltd. (current position) April 2022      Managing Officer; Chief Operating Officer of Infrastructure Projects Business Unit, Mitsui & Co., Ltd. (scheduled)	0
		Reasons for selection as an External Director candidate and expected roles Mr. Koichi Wakana 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, and significant concurrent positions	Number of shares of the Company held
6	Shigenobu Aikyo (October 1, 1949)  <u>Reappointment</u> <u>External Director</u> <u>Independent Director</u>	April 1972      Joined Sumitomo Bank (currently Sumitomo Mitsui Banking Corporation) June 1999      Executive Officer, Head of Human Resources Dept., Sumitomo Bank April 2001      Executive Officer, Head of Corporate Management Dept., Sumitomo Mitsui Banking Corporation June 2003      Managing Executive Officer, Head of Tokyo Corporate Banking Division I, Sumitomo Mitsui Banking Corporation June 2005      Managing Director and Managing Executive Officer, Sumitomo Mitsui Banking Corporation April 2006      Senior Managing Director, Sumitomo Mitsui Banking Corporation Senior Managing Director (Executive Officer), Sumitomo Mitsui Financial Group, Inc. April 2007      Deputy President, Head of Corporate Banking Unit, Sumitomo Mitsui Banking Corporation April 2010      Chairman and Representative Director, Nikko Cordial Securities Inc. April 2011      Chairman and Representative Director, SMBC Nikko Securities Inc. April 2015      Advisor, SMBC Nikko Securities Inc. June 2015      External Director, HASHIMOTO SOGYO HOLDINGS Ltd. (current position) March 2016      External Director of the Company (current position) June 2016      External Director, Sanyo Chemical Industries, Ltd. June 2016      External Director, DAIHEN Corporation June 2016      Outside Director, SCSK Corporation June 2016      External Director, NICHICON CORPORATION (current position) June 2019      External Statutory Auditor, Starts Corporation Inc. (current position)	2,800
		Reasons for selection as an External Director candidate and expected roles Mr. Shigenobu Aikyo has been successively selected as a candidate for External Director, as he is judged to be capable of advising the overall management of the Company from a broad perspective, based on his extensive knowledge regarding finance and management gained through his longtime involvement in the management of financial institutions. He satisfies the Criteria for the Independence of External Directors/Corporate Auditors established by the Company.	

No.	Name (Date of birth)	Career summary, positions and responsibilities at the Company, and significant concurrent positions	Number of shares of the Company held
7	<p>Hiroko Noda (July 3, 1960)</p> <p><u>Reappointment</u> <u>External Director</u> <u>Independent Director</u></p>	<p>April 1987      Joined Minato Audit Corporation (currently KPMG AZSA LLC)</p> <p>August 1987    Joined Prudential Securities Incorporated</p> <p>March 1990     Founded Noda Certified Public Accountant Office Representative, Noda Certified Public Accountant Office (current position)</p> <p>August 1992    Joined Banque Indosuez S.A. (currently Crédit Agricole Corporate and Investment Bank and Crédit Agricole Securities Asia BV)</p> <p>June 2000      Joined Canadian Bank of Commerce (Tokyo Branch, Canadian Bank of Commerce, subsequently, joined Tokyo Branch, CIBC Securities Inc.)</p> <p>July 2006      Joined BUSICOM Co., Ltd.</p> <p>September 2007 Representative Director, Prominent Consulting Co., Ltd.</p> <p>May 2010      Founded Probity Consulting Co., Ltd. Representative Director, Probity Consulting Co., Ltd. (current position)</p> <p>April 2014     Part-time Lecturer, Graduate School of Asian and International Business Strategy, Asia University (current position)</p> <p>March 2019    External Director (Audit &amp; Supervisory Committee Member), Okabe Co., Ltd. (current position)</p> <p>March 2019    External Director of the Company (current position)</p> <p>June 2021     Outside Director (Audit &amp; Supervisory Committee Member), S.T. CORPORATION (current position)</p> <p>Reasons for selection as an External Director candidate and expected roles Ms. Hiroko Noda has been successively selected as a candidate for External Director, as she is judged to be able to supervise and provide advice on the overall management of the Company from an objective standpoint, based on her abundant experience and broad knowledge acquired at accounting departments of foreign financial institutions and as a management consultant. She satisfies the Criteria for the Independence of External Directors/Corporate Auditors established by the Company.</p>	0

No.	Name (Date of birth)	Career summary, positions and responsibilities at the Company, and significant concurrent positions	Number of shares of the Company held
8	Kazuko Shiraishi (August 18, 1951)  Reappointment External Director Independent Director	<p>April 1974      Joined Ministry of Foreign Affairs of Japan</p> <p>February 2001      Consul General, Consulate-General of Japan in Atlanta</p> <p>June 2003      General Manager, International Economic Treaty Office, Treaty Bureau, Ministry of Foreign Affairs</p> <p>September 2004      Policy Coordinator, Foreign Policy Bureau, Ministry of Foreign Affairs</p> <p>October 2005      General Manager, WTO Dispute Settlement Division, Economic Affairs Bureau, Ministry of Foreign Affairs</p> <p>April 2007      Councilor, Embassy of Japan in Poland</p> <p>January 2012      Ambassador Extraordinary and Plenipotentiary to Lithuania</p> <p>June 2015      Ambassador (for Women, Human Rights and Humanitarian Affairs and in charge of Arctic Affairs)</p> <p>June 2016      Ambassador (in charge of Arctic Affairs), Ministry of Foreign Affairs</p> <p>October 2016      Conciliation Commissioner, Tokyo Family Court (current position)</p> <p>June 2017      Term of office of Ambassador, Ministry of Foreign Affairs expired</p> <p>December 2017      Special Envoy for EXPO 2025 OSAKA, KANSAI, JAPAN</p> <p>June 2018      External Director (Audit and Supervisory Committee Member), SCSK Corporation (current position)</p> <p>March 2019      External Director of the Company (current position)</p> <p>Reasons for selection as an External Director candidate and expected roles Ms. Kazuko Shiraishi has been successively selected as a candidate for External Director, as she is judged to be able to supervise and provide advice on the overall management of the Company from an objective standpoint, based on her extensive knowledge and wealth of experience in international affairs she gained through her career at government and public offices. She 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. However, for the above reasons, the Company believes that she will be able to appropriately perform her duties as an External Director. She satisfies the Criteria for the Independence of External Directors/Corporate Auditors established by the Company.</p>	0
9	Kazuhisa Nishigai (July 29, 1950)  Reappointment External Director Independent Director	<p>April 1975      Joined Bridgestone Tire Co., Ltd (currently Bridgestone Corporation)</p> <p>April 2004      Director, Process Engineering Development Division, Bridgestone Corporation</p> <p>January 2005      Vice President and Officer, Bridgestone Corporation</p> <p>October 2007      Vice President and Senior Officer, Bridgestone Corporation</p> <p>March 2008      Member of the Board, Vice President and Senior Officer, Bridgestone Corporation</p> <p>March 2010      Representative Board Member, Senior Vice President, Bridgestone Corporation</p> <p>March 2012      Representative Board Member and COO, Bridgestone Corporation</p> <p>March 2016      Member of the Board, COO and Representative Executive Officer, Bridgestone Corporation</p> <p>January 2019      Member of the Board, Bridgestone Corporation</p> <p>March 2019      External Advisor, Bridgestone Corporation (current position)</p> <p>March 2020      External Director of the Company (current position)</p> <p>Reasons for selection as an External Director candidate and expected roles Mr. Kazuhisa Nishigai has been successively 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 extensive knowledge and management ability gained through his involvement in the management of a major listed manufacturing company, as well as wide range of business experience related to production engineering, plant management and sales, etc. He satisfies the Criteria for the Independence of External Directors/Corporate Auditors established by the Company.</p>	0

No.	Name (Date of birth)	Career summary, positions and responsibilities at the Company, and significant concurrent positions	Number of shares of the Company held
10	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.</p> <p>June 2020 Outside Director, eBOOK Initiative Japan Co., Ltd. (current position)</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> <p>Reasons for selection as an External Director candidate and expected roles Mr. Masato Kobayashi has been successively selected as a candidate for External Director, as he is judged to be capable of advising the overall management of the Company, based on a wealth of experience and professional insight on overall legal affairs as an attorney. 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. However, for the above reasons, the Company believes that he will be able to appropriately perform his duties as an External Director. He satisfies the Criteria for the Independence of External Directors/Corporate Auditors established by the Company.</p>	0

(Notes) 1. The Company is an equity method affiliate of Mitsui E&S Holdings Co., Ltd. The positions and responsibilities at the company of the candidates who currently serve or had served during the past ten years as executives at Mitsui E&S Holdings Co., Ltd. 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 terms of office of the current External Directors as the Company's External Director will be six years for Mr. Shigenobu Aikyo, three years for Mses. Hiroko Noda and Kazuko Shiraiishi, two years for Mr. Kazuhisa Nishigai, and one year 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 contracts with Mr. Shigenobu Aikyo, Mses. Hiroko Noda and Kazuko Shiraiishi, Mr. Kazuhisa Nishigai, and Mr. Masato Kobayashi to limit their 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 them and newly enter into contracts of the same content with Messrs. Ryoichi Oka and Koichi Wakana.
- 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.

### Proposal 3: Election of One Audit & Supervisory Board Member

As Mr. Katsunori Aikyo, an Audit & Supervisory Board Member, will resign from office at the conclusion of this General Meeting of Shareholders, the election of one Audit & Supervisory Board Member is proposed.

As Mr. Yoshihiro Takamura will be elected as a substitute for Mr. Katsunori Aikyo, his term of office will expire when the term of office of the resigning Audit & Supervisory Board Member should have expired pursuant to the provisions of the Articles of Incorporation of the Company.

This Proposal has been approved by the Audit & Supervisory Board.

The candidate for Audit & Supervisory Board Member is as stated below.

Name (Date of birth)	Career summary and positions at the Company, and significant concurrent positions	Number of shares of the Company held	
Yoshihiro Takamura (September 30, 1961)  <u>New appointment</u>	April 1984 December 2002 March 2008 June 2013 October 2013 April 2020 May 2020 April 2021	705	
	Joined the Mitsui Bank, Ltd. (currently Sumitomo Mitsui Banking Corporation). General Manager of Audit Department Group, Sumitomo Mitsui Financial Group, Inc. Seconded to Manufacturers Bank, Executive Vice President of the Bank, General Manager of Corporate Planning Department Joined the Company, Deputy Manager of Finance Department General Manager of Finance Department of the Company Deputy Director, General Manager of Finance Department of the Company Deputy Director, General Manager of Internal Audit Department of the Company Deputy Director, General Manager of Internal Audit Department, and General Manager of Board of Statutory Auditors' Office of the Company (current position)		
	Reasons for selection as an Audit & Supervisory Board Member candidate Mr. Yoshihiro Takamura has been newly selected as a candidate for Audit & Supervisory Board Member, as he is judged to be capable of appropriately performing the duties of Audit & Supervisory Board Member from an objective perspective by utilizing his insight in business activities and the overall management based on his experience in auditing at financial institutions and the Company.		

- (Notes)
- The above candidate for Audit & Supervisory Board Member has no special interest in the Company.
  - Liability limitation contract with the External Audit & Supervisory Board Member  
The Company has entered into a contract with each Audit & Supervisory Board Member to limit his/her liability for compensation of damages prescribed in Article 423, Paragraph 1 of the Companies Act. The maximum amount of liability under the contract shall be the minimum amount prescribed in Article 425, Paragraph 1 of the said Act. If this Proposal is approved, the Company intends to enter into the liability limitation contract with Mr. Yoshihiro Takamura.
  - The Company has entered into an officers' liability insurance contract to indemnify all of the Company's Audit & Supervisory Board Members, 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 the candidate is elected and assumes the office of Audit & Supervisory Board Member, he will be insured under the contract, which will be renewed during his terms of office.

[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	The Company's main customers are overseas oil exploration and production companies, and almost 100% of its sales are posted overseas. Therefore, it is necessary to have international experience as we have established a global value chain.
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 diversity.
ESG	In addition to the businesses involved in the oil and gas industry to date, it is necessary to have a perspective that can serve as a foundation for innovation and new business initiatives to ensure that we do not fail to keep up with the decarbonization trends in the future.

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

Name	Current position / 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	ESG	
Directors	Takeshi Kanamori	Reappointment		○	○	○		○		
	Yasuhiro Takano	New appointment		○	○		○		○	
	Katsuyuki Imaizumi	New appointment		○	○	○				○
	Ryoichi Oka	New appointment	External	○	○			○		○
	Koichi Wakana	New appointment	External	○	○			○		○
	Shigenobu Aikyo	Reappointment	External, Independent	○			○	○	○	
	Hiroko Noda	Reappointment	External, Independent	○	○		○	○	○	
	Kazuko Shiraishi	Reappointment	External, Independent	○	○			○		○
	Kazuhisa Nishigai	Reappointment	External, Independent	○	○			○		
	Masato Kobayashi	Reappointment	External, Independent	○	○	○		○		
Audit & Supervisory Board Members	Yoshihiro Takamura	New appointment		○	○		○	○		
	Yoshihiro Kato	Current position	External, Independent		○		○	○		
	Toshihiko Fujita	Current position	External, Independent			○	○	○		
	Masaaki Amma	Current position	External, Independent		○		○	○		○

[Appendix]

Operations Report (from January 1, 2021 to December 31, 2021)

## Overview and Results of Operations

During the consolidated fiscal year ended December 31, 2021, the Japanese economy faced a severe economic environment, with deteriorating corporate performance and declining personal consumption, as COVID-19 restrained economic activities. However, in the second half of the year, the economic situation in Japan saw a recovery as the severe situation caused by COVID-19 gradually eased. The global economy also remained in a difficult situation as economic activities remained stagnant due to the worldwide spread of COVID-19 but generally showed signs of recovery in the second half of the year.

WTI oil prices fluctuated depending on the situation from time to time. However, they remained at around 50 to 80 US dollars per barrel, partly because the progress of COVID-19 vaccination has gradually normalized economic activities, which strengthened expectations for a recovery in demand, and partly because of the coordinated production cut by OPEC Plus. In this environment, the trend toward decarbonization is unavoidable. However, from the perspective of maintaining a stable energy supply, petroleum companies are expected to continue specific deep-sea oil field development projects. The business related to floating offshore oil and gas production facilities, which is the main business of the Group, is expected to grow steadily in the future in ultra-deepwater large-scale projects, where the Group has strengths.

However, the business environment surrounding the Group is undergoing significant changes, including decarbonization, the further spread of renewable energy, and the evolution of digital technologies. The Group will steadily take into account these changes in the business environment. While securing profits from existing businesses, it will steadily develop future sources of earnings, such as floating offshore wind turbines, development of eco-friendly FPSOs, digital solutions businesses, and submarine resource development.

Under these circumstances, for the consolidated fiscal year ended December 31, 2021, orders resulted in 2,902,771 thousand US dollars (down 7.8% from the previous consolidated fiscal year) due to new orders for the construction of FPSOs, etc. Revenue was 3,899,748 thousand US dollars (up 42.5% from the previous consolidated fiscal year) due to progress in the construction of FPSOs.

In terms of profit, there was an increase in profits associated with the start of revenue recognition for large-scale construction projects. On the other hand, the project implementation plan had to be changed due to a decline in the profit rate for construction projects caused by the spread of COVID-19 that continued from the previous fiscal year and delays in progress. This led to additional costs, worsening the construction profitability. In addition, operating loss for FPSOs was 317,552 thousand US dollars (operating loss of 138,321 thousand US dollars was posted in the previous consolidated fiscal year). This was caused by substantial losses resulting from the continued suspension of operations due to equipment problems and additional repair expenses for the FPSO that provides charter services in Brazil.

Due to these and other factors, loss attributable to owners of parent was 363,975 thousand US dollars (loss attributable to owners of parent of 131,907 thousand US dollars was posted in the previous consolidated fiscal year), as a result of the provision of loans to an equity-method affiliate that owns an FPSO affected by the deterioration in profitability.

Amid the global spread of COVID-19 since FY2020, the globally operating Group has been significantly affected in business performance. Therefore, the Group has concluded that securing liquidity on hand and preparing for the stabilization of management are top-priority issues at present. As a result, we regret to inform you that we will not pay a year-end dividend for the consolidated fiscal year ended December 31, 2021.

We sincerely apologize to our shareholders, and we are striving to resume the dividend as soon as possible. We look forward to your continued support.

# Financial Statements

## Consolidated Statement of Financial Position (December 31, 2021)

(Thousands of USD)

Description	Amount	Description	Amount
<b>Assets</b>	<b>3,425,542</b>	<b>Liabilities</b>	<b>2,870,782</b>
<b>Total Current assets</b>	<b>2,060,740</b>	<b>Total Current liabilities</b>	<b>2,664,758</b>
Cash and cash equivalents	810,131	Trade and other payables	1,356,472
Trade and other receivables	379,394	Contract liabilities	405,807
Contract assets	704,730	Bonds and borrowings	426,867
Loans receivable	14,176	Income taxes payable	40,564
Other financial assets	14,171	Provisions	237,013
Other current assets	138,134	Other financial liabilities	94,549
		Other current liabilities	103,483
<b>Total Non-current assets</b>	<b>1,364,801</b>	<b>Total Non-current liabilities</b>	<b>206,024</b>
Property and equipment	51,366	Borrowings	55
Intangible assets	80,845	Deferred tax liabilities	8
Investments accounted for using equity method	739,046	Defined benefit liability	54,693
Loans receivable	398,562	Provisions	80,597
Other financial assets	13,278	Other financial liabilities	23,584
Deferred tax assets	54,941	Other non-current liabilities	47,084
Other non-current assets	26,760		
		<b>Equity</b>	<b>554,759</b>
		Common stock	282,292
		Capital surplus	280,711
		Retained earnings	85,957
		Treasury shares	(1,291)
		Other components of equity	(115,129)
		<b>Equity attributable to owners of parent</b>	<b>532,541</b>
		Non-controlling interests	22,218
<b>Total assets</b>	<b>3,425,542</b>	<b>Total liabilities and equity</b>	<b>3,425,542</b>

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

**Consolidated Statement of Income**  
(For the year ended December 31, 2021)

(Thousands of USD)

Description	Amount
Revenue	3,899,748
Cost of sales	(4,125,283)
<b>Gross profit (loss)</b>	<b>(225,534)</b>
Selling, general and administrative expenses	(145,963)
Equity in earnings of unconsolidated subsidiaries and affiliates	29,309
Other income	24,680
Other expenses	(44)
<b>Operating profit (loss)</b>	<b>(317,552)</b>
Finance income	55,438
Finance costs	(82,185)
Profit (loss) before tax	(344,300)
Income tax expense	15,620
Profit (loss)	(359,920)
Profit attributable to	
Owners of parent	(363,975)
Non-controlling interests	4,055
Profit (loss)	(359,920)
Earnings per share	
Basic earnings (loss) per share (US dollars)	(6.46)
Diluted earnings (loss) per share (US dollars)	(6.46)

## Non-Consolidated Balance Sheet (December 31, 2021)

(Millions of Japanese yen)

Description	Amount	Description	Amount
<b>(Assets)</b>		<b>(Liabilities)</b>	
<b>Current assets</b>	165,871	<b>Current liabilities</b>	199,971
Cash and time deposits	52,749	Accounts payable - trade	94,422
Accounts receivable - trade	18,579	Current portion of long-term loans payable	3,412
Contract assets	74,024	Lease obligations	22
Work in process	161	Accounts payable - other	1,359
Advance payments - trade	16,543	Accrued expenses	245
Prepaid expenses	962	Income taxes payable	87
Short-term loans receivable	9,959	Contract liabilities	24,672
Accrued income	1,319	Deposits received	167
Other current assets	2,273	CMS deposits received	69,829
Less - allowance for bad debts	(10,702)	Accrued employees' bonuses	71
		Provision for loss on order received	5,614
		Other current liabilities	66
<b>Non-current assets</b>	<b>98,115</b>		
<b>Property and equipment</b>	<b>101</b>	<b>Non-current liabilities</b>	<b>47,625</b>
Buildings, net	53	Bonds payable	25,877
Tools, furniture and fixtures, net	8	Long-term loans payable	19,833
Leased assets, net	38	Lease obligations	20
		Provision for retirement benefits	877
		Other provisions	79
<b>Intangible assets</b>	2,453	Deferred tax liabilities	937
Software	22	<b>Total liabilities</b>	<b>247,597</b>
Other	2,430		
		<b>(Net assets)</b>	
<b>Investments and other assets</b>	95,561	<b>Shareholders' equity</b>	<b>16,398</b>
Investment securities	0	<b>Common stock</b>	<b>30,122</b>
Investment in subsidiaries and affiliates	89,175	<b>Capital surplus</b>	<b>30,852</b>
Long-term loans receivable from unconsolidated subsidiaries and affiliated companies	4,692	Legal capital surplus	30,852
Other investments	1,693		
		<b>Retained earnings</b>	<b>(44,435)</b>
		Legal retained earnings	68
		Other retained earnings	(44,504)
		Retained earnings brought forward	(44,504)
		<b>Less - treasury stock at cost</b>	<b>(140)</b>
		<b>Valuation and translation adjustments</b>	<b>(9)</b>
		<b>Unrealized gains (losses) on hedging derivative, net of tax</b>	<b>(9)</b>
		<b>Total net assets</b>	<b>16,389</b>
<b>Total assets</b>	<b>263,987</b>	<b>Total liabilities and net assets</b>	<b>263,987</b>

**Non-Consolidated Statement of Income**  
(For the year ended December 31, 2021)

(Millions of Japanese yen)

Description	Amount	
Sales		358,045
Cost of sales		355,771
<b>Gross profit</b>		<b>2,273</b>
Selling general and administrative expenses		7,808
<b>Operating loss</b>		<b>(5,535)</b>
Non-operating income		
Guarantee commission received	473	
Interest and dividend income	4,665	
Other	10	5,149
Non-operating expenses		
Interest expense	566	
Foreign exchange losses	2,192	
Other	907	3,666
Ordinary loss		(4,052)
Extraordinary losses		
Loss on exchange of shares of subsidiaries and associates	5,603	
Loss on valuation of shares of subsidiaries and associates	48,422	
Provision of allowance for doubtful accounts	8,669	62,695
<b>Loss before income taxes</b>		<b>(66,747)</b>
Income taxes - current		(57)
Income taxes - deferred		930
<b>Loss</b>		<b>(67,621)</b>