



# MODEC Group Integrated Report

# 2024

Pioneering a world where the ocean and humanity co-exist in harmony

## Vision, Mission and Core Values

In formulating Mid-term Business Plan 2024–2026, in 2023 we revised our Vision, Mission, and Core Values in light of the external environment and the accelerating worldwide trend toward decarbonization and sustainability.

### VISION

**Pioneering a world where the ocean and humanity co-exist in harmony**

### MISSION

**Unlocking the ocean's potential by supplying unique floating solutions for a sustainable future**

### CORE VALUES

**MODEC is committed to our OCEAN**

**O**ne team

Unifying a diverse MODEC through inclusion, equality, trust, collaboration and open communication to cultivate true value creation

**C**are

Prioritizing safety in all we do and nurturing our people, our assets, our environment and our legacy

**E**mpowered

Harnessing our pioneering spirit, taking ownership of our decisions and empowering our people to go beyond, together

**A**gile

Responding swiftly to change with a results-oriented mindset and pursuing continuous improvement

**iN**tegrity

Conducting business in the right way, every day through our compliance and ethics culture, by upholding human rights and acting with professionalism



## At a Glance

MODEC provides total services to ensure 24-hour, 365-day oil and gas production in offshore projects that can continue for 20 years or more. We have been a leader in the world's offshore oil and gas industry for more than 50 years—handling highly challenging offshore development projects in deepwater regions and in areas with harsh marine conditions.

### Net Profit

USD **220** million  
FY2024 results (record high)

### Operating Bases

**27** offices in **18** countries

### Number of Employees

**6,399**

### History of Over 50 Years

Established in **1968**

### Track Record

**59** projects in **20** countries

### Cumulative Years of O&M<sup>1</sup> Experience

Over **330** years

### FPSOs<sup>2</sup>/FSOs<sup>3</sup> with Current O&M Contracts

**No. 1** in the world

### Share of Crude Oil Production in Brazil's Pre-Salt Oil Region

**30%**

### Operational Uptime Rate of FPSOs/FSOs with Current Lease Contracts<sup>4</sup>

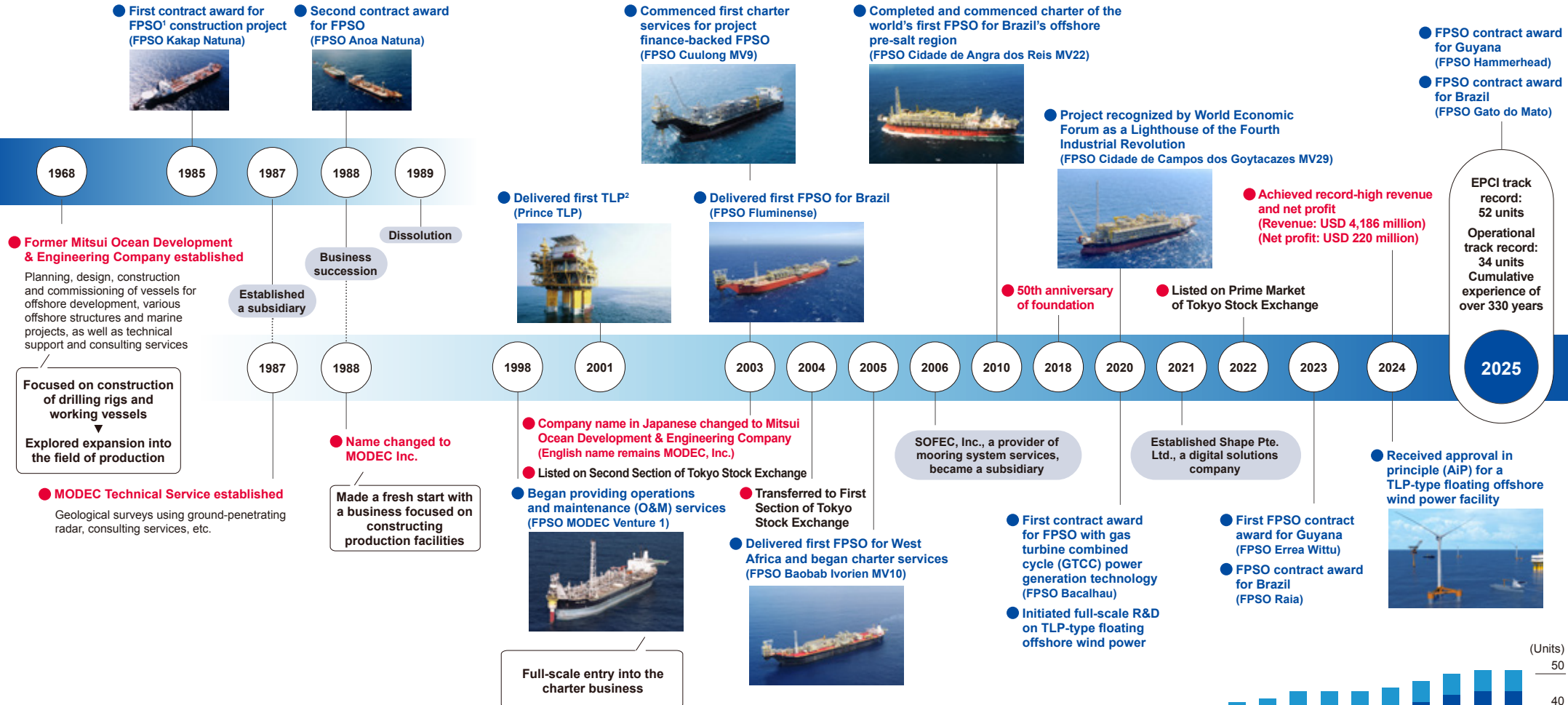
**98.7%**

1. Operations and Maintenance (O&M): A service in which MODEC Group employees, among others, stationed on FPSOs/FSOs installed offshore carry out oil and gas production operations, as well as perform maintenance, inspections and management  
2. Floating Production, Storage and Offloading system (FPSO) 3. Floating Storage and Offloading system (FSO) 4. Median for 2024

# Our History

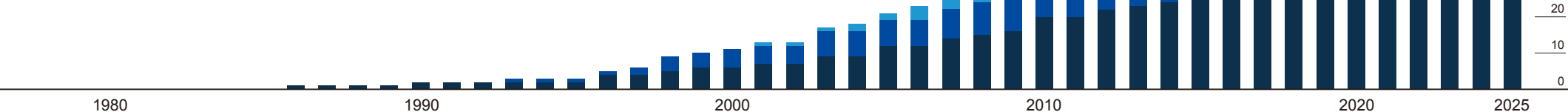
MODEC originated as a comprehensive engineering company specializing in offshore development. Today's MODEC has inherited that business and grown into one of the world's top two companies specializing in floating offshore oil and gas production facility projects. In recent years, we have been actively involved in promoting the decarbonization of FPSOs and developing new businesses.

● Evolution of MODEC ● Evolution of MODEC's floating solutions



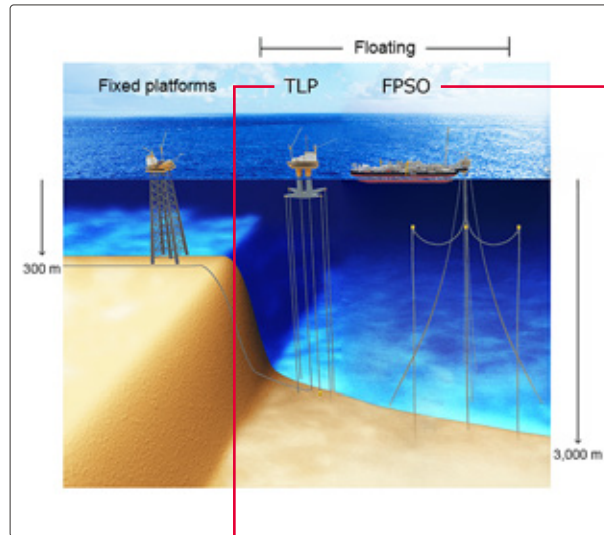
Cumulative Number of Floating Offshore Oil and Gas Production Facilities Constructed (As of April 2025)

■ FPSO ■ FSO<sup>3</sup> ■ TLP



1. Floating Production, Storage and Offloading system (FPSO) 2. Tension Leg Platform (TLP) 3. Floating Storage and Offloading system (FSO)

# MODEC's Floating Solutions



## TLP

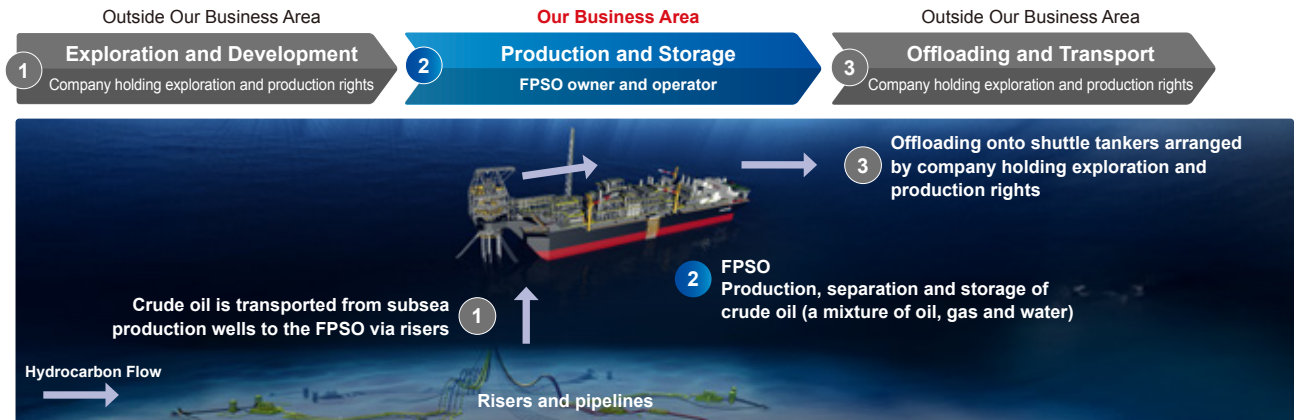
A tension leg platform (TLP) is a floating platform in which the semi-submerged production facility is held in place by steel pipes called tendons that are connected to piles driven into the seabed. It uses strong vertical tension to minimize heave, pitch and roll motions. MODEC is widely recognized in the offshore oil and gas industry as a contractor with proven experience in the construction of TLPs.

## Mooring Systems

Mooring systems are essential components that connect production facilities to the seabed, ensuring FPSOs remain securely positioned against the forces of waves, wind and ocean currents. Designed to withstand extreme conditions—including a once-in-a-100-year storm—mooring systems play a critical role in maintaining the position of production facilities and supporting the safe operation of offshore oil and gas production. There are various types of mooring systems, and the most suitable is selected based on environmental conditions and water depth.

## FPSO

A floating production, storage and offloading system (FPSO) is a floating facility designed for the production of oil and gas in offshore oil and gas fields. Most FPSOs are ship-shaped, and crude oil is stored in storage tanks in the hull of the FPSO before being offloaded onto tankers. Since the 1970s, FPSOs have been used as an innovative alternative to fixed platforms for offshore oil field production and have become the mainstream solution for offshore oil and gas production facilities. Modern FPSOs are capable of operating offshore for extended periods, with some continuing production activities for over 20 years.



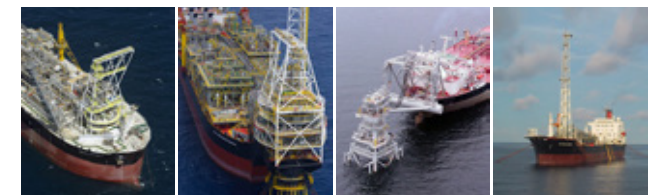
## Total Services to Safely Continue Production of Oil and Gas

|   |   |
|---|---|
| <b>FEED</b><br>Front-End Engineering Design (FEED)                            | We work to understand metocean conditions and client policies while performing basic design tasks for FPSOs and estimating project costs. Close communication with the client is essential throughout the process, and in recent large-scale projects, FEED alone can take over a year.   |
| <b>EPCI</b><br>Engineering, Procurement, Construction and Installation (EPCI) | As a fabless company that does not own factories or shipyards, MODEC specializes in project management services, covering everything from coordination with clients to design, procurement, construction, installation and commissioning. Our ability to select the most suitable contractors and shipyards from around the world enables us to maintain cost competitiveness while ensuring the flexibility to adapt to changing circumstances. In addition, our expertise in collaborating with contractors of diverse nationalities and delivering fully operational facilities as designed is built on over 50 years of experience and a strong track record of operational excellence. |
| <b>Charter</b>  | A charter is a service in which a MODEC affiliate owns an FPSO and provides both leasing and O&M services to the client. Since the charter is provided for a predetermined period, it is also referred to as a time charter contract. After construction is completed and chartering begins, monthly lease revenue is generated based on the contract. This contributes to long-term, stable business earnings that are not significantly impacted by FPSO market conditions or crude oil price fluctuations.   |
| <b>O&amp;M</b><br>Operations and Maintenance (O&M)                            | O&M is a service in which MODEC Group employees, among others, stationed on FPSOs/FSOs installed offshore carry out oil and gas production operations, as well as perform maintenance, inspections and management. Our expertise in O&M services, along with feedback from the field, is accumulated and shared as part of our information assets. This contributes to improved engineering and construction, enabling us to continuously provide O&M services that further enhance customer satisfaction.  |
| <b>Decommissioning</b>  | Decommissioning involves the safe removal of FPSOs from oil and gas fields after the completion of production. MODEC ensures compliance with the Hong Kong International Convention for the Safe and Environmentally Sound Recycling of Ships, 2009 (also known as the "Ship Recycling Convention") and is committed to environmentally responsible practices throughout the decommissioning process.   |

## About SOFEC

SOFEC Inc., a U.S.-based company and a member of the MODEC Group, specializes in mooring systems. As an industry leader, SOFEC provides comprehensive services in the design, construction and installation of various mooring systems, including those for FPSOs. Recognized for its excellence, SOFEC also supplies mooring systems for projects outside of MODEC's involvement.

For more information about SOFEC, please visit their website at <https://www.sofec.com/>



From left  
Internal disconnectable turret / External turret / Tower yoke / Spread mooring

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# Editorial Policy

## Purpose of Issuing the Integrated Report

Our aim is to clearly communicate our value creation story to stakeholders. In this report, we outline our path to achieving sustainable growth and enhancing medium- to long-term corporate value in a way that is easy to understand, with the goal of co-creating value through constructive dialogue.

## Key Points of Integrated Report 2024

This is the first year we have issued an integrated report, and we created it with a focus on three points:

- ▶ Present industry information and MODEC's position (competitive advantage)
- ▶ Provide detailed information on our sustainable business model
- ▶ Tell the story of MODEC's vision for the future and the roadmap to achieving it

## Production Structure

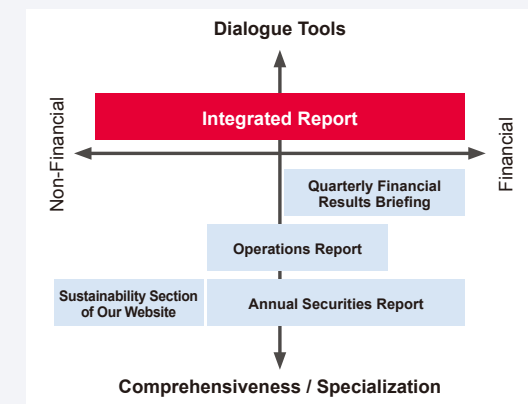


Senior management, including the President & CEO, were involved in creating the report, and focused on clarifying our vision and strategies. Young global employees who will lead the next generation also participated, and by reflecting their diverse perspectives and creativity we tried to create a more engaging and meaningful report.

## Forward-Looking Statements

The plans, strategies, forecasts, targets and other forward-looking statements in this integrated report are based on information currently available and on assumptions that the Company believes to be reasonable. These statements involve various risks and uncertainties, including, but not limited to, fluctuations in the economic environment and market trends, changes in laws and regulations, competitive conditions, technological innovations, natural disasters and pandemics. Accordingly, MODEC's actual performance and results could differ materially from the statements made herein.

## Information Disclosure System (Position of Each Disclosure Medium)



## Reporting Period

FY2024 (January 1, 2024 to December 31, 2024)

Note: Parts of the report include information from January 2025 onward.

## Reference Guidelines

- *International Integrated Reporting Framework*, IFRS Foundation
- *Guidance for Collaborative Value Creation*, Ministry of Economy, Trade and Industry