

This document has been translated and summarized from the Japanese original for reference purposes only. In the event of any discrepancy between the translated version and the Japanese original, the original version shall prevail. The Company assumes no responsibility for this translation or for any direct, indirect or any other form of damage arising from the translation.

(Securities Code: 6269)  
March 4, 2021

**To Our Shareholders with Voting Rights:**

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

**NOTICE OF CONVOCATION OF  
THE 35<sup>TH</sup> ANNUAL GENERAL MEETING OF SHAREHOLDERS**

Please be advised that the 35th 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 22, 2021.

- 1. Date and Time:** Tuesday, March 23, 2021, at 10:00 a.m.  
(The reception desk opens at 9:00 a.m.)
- 2. Place:** Congres Square Nihonbashi 2F Convention Hall AB  
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 35th Term (from January 1, 2020 to December 31, 2020)
  2. Non-consolidated Financial Statements for the 35th Term (from January 1, 2020 to December 31, 2020)

**Matters to be resolved:**

- |                    |  |
|--------------------|--|
| <b>Proposal 1:</b> | Appropriation of Surplus                           |
| <b>Proposal 2:</b> | Election of Ten Directors                          |
| <b>Proposal 3:</b> | Election of Four Audit & Supervisory Board Members |

- 
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 Net Assets 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 Appendix to this notice is a portion of the Consolidated Financial Statements or Non-consolidated Financial Statements which the Accounting Auditor audited in preparing the Accounting 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/>).

## **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: 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, management base reinforcement for this fiscal year and future business development, a year-end dividend for this fiscal year is proposed as stated below.

(1) Type of dividend property

Cash

(2) Allocation of dividend property and total amount thereof

¥21.25 per share of common stock of the Company

Total amount of dividends: ¥1,198,649,409

As the Company has already paid an interim dividend of ¥23.75 per share, the annual dividend will be ¥45.00 per share.

(3) Effective date of dividends from surplus

March 24, 2021

## Proposal 2: Election of Ten Directors

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

Accordingly, the election of ten Directors is proposed, including six 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 FY2020
1	<b>Yuji Kozai</b> <span style="border: 1px solid black; padding: 2px;">Reappointment</span>	Representative Director, President and Chief Executive Officer Nomination and Remuneration Committee Member	19 / 19 (100%)
2	<b>Takeshi Kanamori</b> <span style="border: 1px solid black; padding: 2px;">Reappointment</span>	Director, Executive Vice President, CCO (Chief Compliance Officer) Assistant to President In charge of Legal Department and Compliance Group	19 / 19 (100%)
3	<b>Minoru Sawada</b> <span style="border: 1px solid black; padding: 2px;">Reappointment</span>	Director, Executive Managing Officer, CPO (Chief Procurement Officer) In charge of Corporate Planning & Strategies Department, Procurement Department, Best Practice Promotion Department and IT Group	19 / 19 (100%)
4	<b>Takeyuki Takahashi</b> <span style="border: 1px solid black; padding: 2px;">New appointment</span>	-	-
5	<b>Kazumasa Nakai</b> <span style="border: 1px solid black; padding: 2px;">Reappointment</span> <span style="border: 1px solid black; padding: 2px;">External Director</span>	External Director	19 / 19 (100%)
6	<b>Shigenobu Aikyo</b> <span style="border: 1px solid black; padding: 2px;">Reappointment</span> <span style="border: 1px solid black; padding: 2px;">External Director</span> <span style="border: 1px solid black; padding: 2px;">Independent Director</span>	External Director, Nominating and Remuneration Committee Member	19 / 19 (100%)
7	<b>Hiroko Noda</b> <span style="border: 1px solid black; padding: 2px;">Reappointment</span> <span style="border: 1px solid black; padding: 2px;">External Director</span> <span style="border: 1px solid black; padding: 2px;">Independent Director</span>	External Director, Nominating and Remuneration Committee Member	18 / 19 (95%)
8	<b>Kazuko Shiraishi</b> <span style="border: 1px solid black; padding: 2px;">Reappointment</span> <span style="border: 1px solid black; padding: 2px;">External Director</span> <span style="border: 1px solid black; padding: 2px;">Independent Director</span>	External Director, Nominating and Remuneration Committee Member	19 / 19 (100%)
9	<b>Kazuhisa Nishigai</b> <span style="border: 1px solid black; padding: 2px;">Reappointment</span> <span style="border: 1px solid black; padding: 2px;">External Director</span> <span style="border: 1px solid black; padding: 2px;">Independent Director</span>	External Director, Nominating and Remuneration Committee Member	15 / 15 (100%)
10	<b>Masato Kobayashi</b> <span style="border: 1px solid black; padding: 2px;">New appointment</span> <span style="border: 1px solid black; padding: 2px;">External Director</span> <span style="border: 1px solid black; padding: 2px;">Independent Director</span>	-	-

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	Yuji Kozai (February 10, 1960)  <u>Reappointment</u>	April 1982	9,900	
		June 2005		Joined Mitsui Engineering & Shipbuilding Co., Ltd. General Manager of Diesel Design Dept., Machinery Factory, Machinery & Systems Hq., Mitsui Engineering & Shipbuilding Co., Ltd.
		July 2007		General Manager of Production Planning Dept., Machinery Factory, Machinery & Systems Hq., Mitsui Engineering & Shipbuilding Co., Ltd.
		January 2011		General Manager of Quality Assurance Dept., Machinery Factory, Machinery & Systems Hq., Mitsui Engineering & Shipbuilding Co., Ltd.
		June 2013		General Manager of Corporate Planning Dept., Mitsui Engineering & Shipbuilding Co., Ltd.
		April 2015		Executive Officer, General Manager of Corporate Planning Dept., Mitsui Engineering & Shipbuilding Co., Ltd.
		October 2016		Executive Officer, Deputy General Manager of Corporate Planning Hq., General Manager of Corporate Planning Dept., Corporate Planning Hq., Mitsui Engineering & Shipbuilding Co., Ltd.
		March 2018		Director of the Company
		April 2018		General Manager of Corporate Planning Dept., Mitsui E&S Holdings Co., Ltd.
		June 2018		Director, Mitsui E&S Holdings Co., Ltd.
March 2019	Representative Director, President and Chief Executive Officer of the Company (current position)			
June 2019	Director, Mitsui E&S Holdings Co., Ltd.			
<p>Reasons for selection as a Director candidate</p> <p>Mr. Yuji Kozai has been successively selected as a candidate for Director, as he has acquired knowledge and experience related to the Company's business as well as a wide range of experience and deep insight in corporate management, which are expected to be leveraged in the overall management 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
2	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 (current position)</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 (current position)</p> <p>April 2020      In charge of Legal Department (current position)</p>	6,200
<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 the general trading company, supervised the overall business execution of the Company, and has been in charge of Legal and Compliance Departments, etc.</p>			
3	Minoru Sawada (August 12, 1960)  <u>Reappointment</u>	<p>April 1983      Joined Mitsui Engineering &amp; Shipbuilding Co., Ltd.</p> <p>April 2011      General Manager of Planning &amp; Administration Dept., Environment &amp; Plant Hq., Mitsui Engineering &amp; Shipbuilding Co., Ltd.</p> <p>June 2012      General Manager of Planning &amp; Administration Dept., Engineering Hq., Mitsui Engineering &amp; Shipbuilding Co., Ltd.</p> <p>April 2013      General Manager of Procurement Dept., Engineering Hq., Mitsui Engineering &amp; Shipbuilding Co., Ltd.</p> <p>October 2014    General Manager of Project Management Dept., Engineering Hq., Mitsui Engineering &amp; Shipbuilding Co., Ltd.</p> <p>April 2015      Deputy Director, Mitsui Engineering &amp; Shipbuilding Co., Ltd.</p> <p>October 2015    Deputy Director of the Company</p> <p>March 2016      Director, Executive Officer, General Manager of Corporate Planning &amp; Strategies Dept., Best Practice Promotion Department and IT Group of the Company (current position)</p> <p>March 2019      Director, Executive Managing Officer of the Company (current position) In charge of Legal Department</p> <p>March 2020      CPO (Chief Procurement Officer) and in charge of Procurement Department, (current position)</p>	6,400
<p>Reasons for selection as a Director candidate</p> <p>Mr. Minoru Sawada has been successively selected as a candidate for Director, as he has acquired a wide range of knowledge and practical experience related to corporate planning and coordination through his duties in the operating divisions of the Company's parent company, as well as having been in charge of the Company's Corporate Planning and Strategies, Legal, Best Practice Promotion, IT and Procurement divisions and supervising affiliated companies.</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
4	Takeyuki Takahashi (October 9, 1964) <u>New appointment</u>	<p>April 1987      Joined Mitsui Engineering &amp; Shipbuilding Co., Ltd.</p> <p>April 2003      Manager of Cranes &amp; Systems Sales Dept., Steel Structure &amp; Logistic Systems Hq., Mitsui Engineering &amp; Shipbuilding Co., Ltd.</p> <p>June 2006      General Manager of Cranes &amp; Systems Export Sales Dept., Steel Structure &amp; Logistic Systems Hq., Mitsui Engineering &amp; Shipbuilding Co., Ltd.</p> <p>October 2007    General Manager of Cranes &amp; Systems Sales Dept., Steel Structure &amp; Logistic Systems Hq., Mitsui Engineering &amp; Shipbuilding Co., Ltd.</p> <p>June 2012      General Manager of Cranes &amp; Systems Sales Dept., Machinery &amp; Systems Hq., Mitsui Engineering &amp; Shipbuilding Co., Ltd.</p> <p>September 2015    Manager of Corporate Planning Dept., Mitsui Engineering &amp; Shipbuilding Co., Ltd.</p> <p>October 2015    General Manager of Global Strategy Sect., Corporate Planning Dept., Mitsui Engineering &amp; Shipbuilding Co., Ltd.</p> <p>October 2016    General Manager of Strategic Planning Sect., Corporate Planning Dept., Corporate Planning Hq., Mitsui Engineering &amp; Shipbuilding Co., Ltd.</p> <p>February 2018    Assistant to General Manger of Machinery &amp; Systems Hq., Mitsui Engineering &amp; Shipbuilding Co., Ltd.</p> <p>April 2018      Executive Officer, General Manager of Cranes &amp; Systems Business Dept., Mitsui E&amp;S Machinery Co., Ltd.</p> <p>April 2019      President, Representative Director and CEO of Mitsui E&amp;S Machinery Co., Ltd. (current position)</p> <p>June 2019      President, Representative Director and CEO of Mitsui E&amp;S Machinery Co., Ltd. Director, Mitsui E&amp;S Holdings Co., Ltd.</p>	0
<p>Reasons for selection as a Director candidate</p> <p>Mr. Takeyuki Takahashi has been newly selected as a candidate for Director, as he is judged to be capable of advising the overall management of the Company, based on his wide range of knowledge, experience and managerial capability acquired through his duties in the operating divisions of the Company's parent company.</p>			
5	Kazumasa Nakai (August 29, 1963) <u>Reappointment</u> <u>External Director</u>	<p>April 1987      Joined Mitsui &amp; Co., Ltd.</p> <p>December 2005    General Manager of Project Sect., New York Office, Mitsui &amp; Co. (U.S.A.), Inc.</p> <p>July 2009      Deputy Manager of Third Projects Development Division, Infrastructure Projects Business Unit, Mitsui &amp; Co., Ltd.</p> <p>April 2012      General Manager of Third Projects Development Division, Infrastructure Projects Business Unit, Mitsui &amp; Co., Ltd.</p> <p>April 2015      General Manager of First Projects Development Division, Infrastructure Projects Business Unit, Mitsui &amp; Co., Ltd.</p> <p>October 2017    Operating Officer of Nutrition &amp; Agriculture Business Unit, Mitsui &amp; Co., Ltd.</p> <p>March 2019      External Director of the Company (current position)</p> <p>April 2019      Managing Officer, Mitsui &amp; Co., Ltd. (current position)</p>	0
<p>Reasons for selection as an External Director candidate</p> <p>Mr. Kazumasa Nakai 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 wide range of business experience at the general trading company as well as practical knowledge related to the Company's business.</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
6	Shigenobu Aikyo (October 1, 1949)  <div style="border: 1px solid black; padding: 2px; display: inline-block;">Reappointment</div> <div style="border: 1px solid black; padding: 2px; display: inline-block;">External Director</div> <div style="border: 1px solid black; padding: 2px; display: inline-block;">Independent Director</div>	<p>April 1972      Joined Sumitomo Bank (currently Sumitomo Mitsui Banking Corporation)</p> <p>June 1999      Executive Officer, Head of Human Resources Dept., Sumitomo Bank</p> <p>April 2001      Executive Officer, Head of Corporate Management Dept., Sumitomo Mitsui Banking Corporation</p> <p>June 2003      Managing Executive Officer, Head of Tokyo Corporate Banking Division I, Sumitomo Mitsui Banking Corporation</p> <p>June 2005      Managing Director and Managing Executive Officer, Sumitomo Mitsui Banking Corporation</p> <p>April 2006      Senior Managing Director, Sumitomo Mitsui Banking Corporation Senior Managing Director (Executive Officer), Sumitomo Mitsui Financial Group, Inc.</p> <p>April 2007      Deputy President, Head of Corporate Banking Unit, Sumitomo Mitsui Banking Corporation</p> <p>April 2010      Chairman and Representative Director, Nikko Cordial Securities Inc.</p> <p>April 2011      Chairman and Representative Director, SMBC Nikko Securities Inc.</p> <p>April 2015      Advisor, SMBC Nikko Securities Inc.</p> <p>June 2015      External Director, HASHIMOTO SOGYO HOLDINGS Ltd. (current position)</p> <p>March 2016      External Director of the Company (current position)</p> <p>June 2016      External Director, Sanyo Chemical Industries, Ltd. (current position)</p> <p>June 2016      External Director, DAIHEN Corporation</p> <p>June 2016      Outside Director, SCSK Corporation</p> <p>June 2016      External Director, NICHICON CORPORATION (current position)</p> <p>June 2019      External Statutory Auditor, Starts Corporation Inc. (current position)</p>	2,100
		<p>Reasons for selection as an External Director candidate</p> <p>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.</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
7	<p>Hiroko Noda (July 3, 1960)</p> <p><u>Reappointment</u></p> <p><u>External Director</u></p> <p><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>Reasons for selection as an External Director candidate Ms. Hiroko Noda has been successively selected as a candidate for External Director, as she is judged to be able to continue to supervise and provide advice on the overall management of the Company from an objective standpoint, based on her years of experience in the field of international finance as well as broad insights as a business 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 Ms. Kazuko Shiraishi has been successively selected as a candidate for External Director, as she is judged to be able to continue to supervise and provide advice on the overall management of the Company from an objective standpoint, based on her wealth of experience related to diplomacy and broad insight she gained through her career to date. 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 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 longtime involvement in the management of a listed 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>New appointment</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>Reasons for selection as an External Director candidate Mr. Masato Kobayashi 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 a wealth of experience and professional insight on overall legal affairs as an attorney. He satisfies the Criteria for the Independence of External Directors/Corporate Auditors established by the Company.</p>	0

- (Notes)
1. Mitsui E&S Holdings Co., Ltd. is the Company's parent company. The positions and responsibilities at the parent company of the candidates who currently serve or had served during the past five 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.
  2. The terms of office of the current External Directors as the Company's External Director will be five years for Mr. Shigenobu Aikyo, two years for Mr. Kazumasa Nakai and Ms. Hiroko Noda and Kazuko Shiraishi and one year for Mr. Kazuhisa Nishigai as of the conclusion of this General Meeting of Shareholders.
  3. Liability limitation contract with the Directors (excluding those serving as Executive Directors, etc.)  
The Company has entered into contracts with Messrs. Kazumasa Nakai and Shigenobu Aikyo, Ms. Hiroko Noda and Kazuko Shiraishi and Mr. Kazuhisa Nishigai 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. Takeyuki Takahashi and Masato Kobayashi.
  4. 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 Four Audit & Supervisory Board Members

The terms of office of all the four current Audit & Supervisory Board Members will expire at the conclusion of this General Meeting of Shareholders.

Accordingly, the election of four Audit & Supervisory Board Members is proposed, including three External Audit & Supervisory Board Members.

The candidates for Audit & Supervisory Board Members are as stated below, and approved by the Audit & Supervisory Board.

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	Katsunori Aikyo (October 1, 1955)  <u>Reappointment</u>	<p>April 1978      Joined Mitsui &amp; Co., Ltd.</p> <p>March 2005    General Manager of Non-Ferrous Metal Products Dept., Iron &amp; Steel Raw Materials and Non-Ferrous Metals Business Unit, Mitsui &amp; Co., Ltd.</p> <p>December 2006    General Manager of Non-Ferrous Metal Materials Dept., Mineral &amp; Metal Resources Business Unit, Mitsui &amp; Co., Ltd.</p> <p>April 2008      Senior Vice President, Chief Operating Officer of Americas Energy &amp; Mineral Resources Division, Mitsui &amp; Co. (U.S.A.), Inc.</p> <p>April 2011      Managing Officer, Chief Operating Officer of Transportation Logistics Business Unit, Mitsui &amp; Co., Ltd.</p> <p>April 2013      Managing Officer, Senior Deputy General Manager of Osaka Office, Mitsui &amp; Co., Ltd.</p> <p>April 2014      Executive Managing Officer, General Manager of Nagoya Office, Mitsui &amp; Co., Ltd.</p> <p>March 2017     Audit &amp; Supervisory Board Member of the Company (current position)</p>	0
<p>Reasons for selection as an Audit &amp; Supervisory Board Member candidate Mr. Katsunori Aikyo has been successively selected as a candidate for Audit &amp; Supervisory Board Member, as he is judged to be capable of appropriately performing the duties of Audit &amp; Supervisory Board Member from an objective perspective by utilizing his insight in business activities and the overall management based on his experience as a member of the management of the general trading company.</p>			
2	Yoshihiro Kato (November 20, 1954)  <u>Reappointment</u>  External Corporate Auditor  Independent Corporate Auditor	<p>April 1977      Joined Bridgestone Tire Co., Ltd. (currently Bridgestone Corporation)</p> <p>April 1986      Joined Pricewaterhouse Aoyama Audit Corporation</p> <p>July 1997      Director, PricewaterhouseCoopers Tax Corporation</p> <p>April 2005      Founded Yoshihiro Kato International Accounting Office Head, Yoshihiro Kato International Accounting Office (current position)</p> <p>April 2005      Professor, Kanazawa Seiryō University and Graduate School of Kanazawa Seiryō University</p> <p>April 2012      Part-time Lecturer, Faculty of Law, Toin University of Yokohama Part-time Lecturer, Faculty of Human Life, Jumonji University</p> <p>April 2014      Professor, Faculty of Human Life, Jumonji University</p> <p>March 2016     External Audit &amp; Supervisory Board Member of the Company (current position)</p> <p>April 2020      Professor Emeritus, Jumonji University (current position)</p>	0
<p>Reasons for selection as an External Audit &amp; Supervisory Board Member candidate Mr. Yoshihiro Kato has a wealth of knowledge and experience as a tax accountant and researcher on tax accounting. Although Mr. Yoshihiro Kato has never been directly engaged in corporate management, he has been successively selected as a candidate for External Audit &amp; Supervisory Board Member, as he is judged to be capable of appropriately performing the duties of External Audit &amp; Supervisory Board Member for the reasons mentioned above. He satisfies the Criteria for the Independence of External Directors/Corporate Auditors established by 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	Toshihiko Fujita (June 18, 1958)  <div style="border: 1px solid black; padding: 2px; width: fit-content;">New appointment</div> <div style="border: 1px solid black; padding: 2px; width: fit-content;">External Corporate Auditor</div> <div style="border: 1px solid black; padding: 2px; width: fit-content;">Independent Corporate</div>	April 1981      Joined the Ministry of Finance July 2003      Director for Defense Budget, Budget Bureau, the Ministry of Finance February 2004    Counselor to Director General for Economic and Fiscal Management, Cabinet Office July 2005      Assistant Regional Commissioner (Management and Co-ordination), Tokyo Regional Taxation Bureau July 2006      Director, Personnel Division, National Tax Agency July 2007      Director, Co-ordination Division, National Tax Agency July 2009      Regional Commissioner, Fukuoka Regional Taxation Bureau July 2010      Deputy Commissioner (Large Enterprise Examination and Criminal Investigation), National Tax Agency August 2012    Deputy Commissioner (Taxation), National Tax Agency June 2013      First Deputy Commissioner, National Tax Agency July 2014      Regional Commissioner, Tokyo Regional Taxation Bureau February 2016   Auditor, the Bank of Japan February 2020   Director, Hongo Tsuji Tax & Consulting (current position)	0
		Reasons for selection as an External Audit & Supervisory Board Member Mr. Toshihiko Fujita has been newly selected as a candidate for External Audit & Supervisory Board Member, as he is judged to be capable of appropriately performing the duties of External Audit & Supervisory Board Member, based on his professional insight and a wealth of experience in taxation business, economy, and finance he gained through his career at the Ministry of Finance, the National Tax Agency, the Bank of Japan, etc. 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
4	Masaaki Amma (January 6, 1960)  New appointment External Corporate Auditor Independent Corporate	<p>April 1982      Joined Export-Import Bank of Japan (currently Japan Bank for International Cooperation)</p> <p>August 2006    Deputy Director, Research Institute for Development and Finance, Export-Import Bank of Japan</p> <p>October 2008    General Manager, International Sales Department, Western Japan, (Osaka), Export-Import Bank of Japan</p> <p>May 2010        General Manager, International Business Strategy Department, Export-Import Bank of Japan</p> <p>May 2012        General Manager, Corporate Planning Department, Japan Bank for International Cooperation</p> <p>December 2013   Executive Officer, General Manager, Planning and Management Department, Japan Bank for International Cooperation</p> <p>June 2015        Director, General Manager, Planning and Management Department, Japan Bank for International Cooperation</p> <p>June 2016        Director, Japan Bank for International Cooperation</p> <p>July 2017        Advisor, Daiwa Securities Co.Ltd.</p> <p>March 2021      Scheduled to join PricewaterhouseCoopers Japan Group, and be appointed as Executive Officer PricewaterhouseCoopers Sustainability LLC</p>	0
		<p>Reasons for selection as an External Corporate Auditor candidate</p> <p>Mr. Masaaki Amma has been newly selected as a candidate for External Corporate Auditor, as he is judged to be capable of appropriately performing the duties of External Corporate Auditors, based on his professional insight and a wealth of experience in domestic and overseas finance gained through his longtime involvement in banking business over the years. He satisfies the Criteria for the Independence of External Directors/Corporate Auditors established by the Company.</p>	

- (Notes)
1. The above candidates for Audit & Supervisory Board Members have no special interest in the Company.
  2. The term of office of the current External Audit & Supervisory Board Member as the Company's Audit & Supervisory Board Member will be five years for Mr. Yoshihiro Kato as of the conclusion of this General Meeting of Shareholders.
  3. Liability limitation contract with the External Audit & Supervisory Board Members  
The Company has entered into a contract with Mr. Yoshihiro Kato to limit his 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 renew the liability limitation contract with him and newly enter into contracts of the same content with Messrs. Toshihiko Fujita and Masaaki Amma.
  4. 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 they assume the office of Audit & Supervisory Board Member, they will be insured under the contract, which will be renewed during their terms of office.

[Appendix]

Operations Report (from January 1, 2020 to December 31, 2020)

## Overview and Results of Operations

During the consolidated fiscal year ended December 31, 2020, the Japanese economy faced extremely difficult situations as COVID-19 restrained economic activities in and outside Japan and decreased corporate earnings. The global economy was temporarily on a recovery track thanks to the reopening of economic activities mainly in the U.S. and Europe. However, as the pace of recovery slowed down due to the resurgence of the spread of COVID-19, the future outlook for the global economy remains uncertain.

WTI oil prices fell into negative territory at one time due to falling oil demand caused by the COVID-19 pandemic and the breakdown of negotiations on a coordinated production reduction among OPEC countries, Russia and other oil-producing countries. Subsequently, however, the reopening of economic activities in major countries helped improve demand environment, and the oil-producing countries agreed to reduce oil output. This allowed WTI to be traded above or below 40 dollars per barrel in and after June. Currently, the oil prices recovered to around the 50 US dollar level as expectations for normalization of economic activities rose with COVID-19 vaccines starting to roll out. Falling crude oil prices could adversely impact the Group's earnings over the short term in the form of delay in or suspension of development by petroleum companies. However, from the aspect of sustainable supply of energy resources, petroleum companies are forecast to continue development mainly in deep-sea areas. Accordingly, the business related to floating production systems, the Group's mainstay business, is expected to grow steadily over the medium to long term.

Under these circumstances, for the consolidated fiscal year ended December 31, 2020, orders resulted in ¥320,787 million (down 49.5% from the previous consolidated fiscal year) due to new orders for the construction of FPSOs, etc. Revenue was ¥309,925 million (down 6.8% from the previous consolidated fiscal year) due to progress in construction of FPSOs.

In terms of profit, the spread of COVID-19 affected the progress of overall schedule of projects under construction through the suspension of construction work, delays in procurement of equipment, and restriction in access to construction sites, etc. Operating loss was ¥21,614 million (operating loss of ¥4,841 million was posted in the previous consolidated fiscal year) due to the incorporation of estimated cost increases, etc. based on the assumption that the aforementioned effects of COVID-19 on the progress of construction would not be eliminated within a short period of time. Please note that we expect no penalty for the delays in delivery caused by COVID-19, judging that such delays under declaration of a global pandemic fall within a force majeure provision in light of relevant laws and contracts. Ordinary loss came to ¥12,854 million including interest income and equity in earnings of unconsolidated subsidiaries and affiliates (ordinary profit of ¥294 million was posted in the previous consolidated fiscal year) due to the limited effects of COVID-19 on the existing businesses related to charter and operation services that were implemented with adequate countermeasures. Due to these and other factors, loss attributable to owners of parent was ¥13,076 million (loss attributable to owners of parent of ¥18,227 million was posted in the previous consolidated fiscal year).

# Financial Statements

## Consolidated Balance Sheet (December 31, 2020)

(Millions of Japanese yen)

Description	Amount	Description	Amount
<b>(Assets)</b>		<b>(Liabilities)</b>	
<b>Current assets</b>	<b>227,946</b>	<b>Current liabilities</b>	<b>237,796</b>
Cash and time deposits	66,117	Accounts payable - trade	151,331
Accounts receivable - trade	124,741	Short-term loans payable	3,001
Inventories	19,066	Current portion of long-term loans payable	5,748
Other current assets	19,082	Lease obligations	1,393
Less - allowance for bad debts	(1,061)	Accrued expenses	15,653
		Income taxes payable	5,189
<b>Non-current assets</b>	<b>129,585</b>	Advances received	32,455
<b>Property and equipment</b>	<b>4,728</b>	Accrued employees' bonuses	158
Buildings and structures	62	Provision for loss on construction contracts	5,579
Machinery and equipment	35	Provision for construction warranties	7,256
Other property and equipment	4,374	Provision for repairs	3,731
Construction in progress	255	Other current liabilities	6,296
<b>Intangible assets</b>	<b>10,275</b>	<b>Non-current liabilities</b>	<b>24,720</b>
Goodwill	653	Long-term loans payable	4,746
Other	9,622	Lease obligations	1,620
		Net defined benefit liabilities	885
<b>Investments and other assets</b>	<b>114,581</b>	Deferred tax liabilities	62
Investment securities	67,543	Liabilities from application of equity method	10,807
Long-term loans receivable from unconsolidated subsidiaries and affiliated companies	38,004	Other provisions	271
Deferred tax assets	4,832	Other non-current liabilities	6,326
Other investments	4,200		
		<b>Total liabilities</b>	<b>262,517</b>
		<b>(Net assets)</b>	
		<b>Shareholders' equity</b>	<b>115,519</b>
		Common stock	30,122
		Capital surplus	29,301
		Retained earnings	56,265
		Less - treasury stock at cost	(169)
		<b>Accumulated other comprehensive income</b>	<b>(24,097)</b>
		Unrealized gains (losses) on hedging derivative, net of tax	(15,274)
		Foreign currency translation adjustments	(7,610)
		Retirement liability adjustments for foreign consolidated subsidiaries	(1,211)
		<b>Non-controlling interests</b>	<b>3,592</b>
		<b>Total net assets</b>	<b>95,015</b>
<b>Total assets</b>	<b>357,532</b>	<b>Total liabilities and net assets</b>	<b>357,532</b>

(Note) The figures are rounded down to the nearest million yen.

**Consolidated Statement of Income**  
(For the year ended December 31, 2020)

(Millions of Japanese yen)

Description	Amount	
Sales		309,925
Cost of sales		319,524
<b>Gross loss</b>		<b>(9,598)</b>
Selling, general and administrative expenses		12,015
<b>Operating loss</b>		<b>(21,614)</b>
Non-operating income		
Interest and dividend income	4,263	
Equity in earnings of unconsolidated subsidiaries and affiliates	4,467	
Foreign exchange gains	22	
Other	912	9,666
Non-operating expenses		
Interest expense	654	
Loss on revaluation of derivatives	84	
Other	168	906
<b>Ordinary loss</b>		<b>(12,854)</b>
Extraordinary income		
Reversal of provision for repairs	1,552	1,552
Extraordinary losses		
Retirement benefit expenses	447	447
<b>Loss before income taxes</b>		<b>(11,749)</b>
Income taxes - current		2,645
Income taxes - deferred		(1,497)
<b>Loss</b>		<b>(12,897)</b>
Profit attributable to non-controlling interests		178
<b>Loss attributable to owners of parent</b>		<b>(13,076)</b>

## Non-Consolidated Balance Sheet (December 31, 2020)

(Millions of Japanese yen)

Description	Amount	Description	Amount
<b>(Assets)</b>		<b>(Liabilities)</b>	
<b>Current assets</b>	<b>156,607</b>	<b>Current liabilities</b>	<b>179,039</b>
Cash and time deposits	33,926	Accounts payable - trade	93,261
Accounts receivable - trade	90,666	Short-term loans payable	3,001
Work in process	26,841	Current portion of long-term loans payable	5,275
Advance payments - trade	308	Lease obligations	22
Prepaid expenses	1,949	Accounts payable - other	2,186
Short-term loans receivable	1,284	Accrued expenses	114
Accrued income	771	Income taxes payable	294
Other current assets	2,793	Advances received	21,982
Less - allowance for bad debts	(1,934)	Deposits received	964
		CMS deposits received	51,809
<b>Non-current assets</b>	<b>115,851</b>	Accrued employees' bonuses	15
<b>Property and equipment</b>	<b>132</b>	Other provisions	110
Buildings, net	62	Other current liabilities	
Tools, furniture and fixtures, net	10	<b>Non-current liabilities</b>	<b>5,554</b>
Leased assets, net	59	Long-term loans payable	4,527
		Lease obligations	43
<b>Intangible assets</b>	<b>1,973</b>	Provision for retirement benefits	885
Software	17	Other provisions	73
Other	1,955	Deferred tax liabilities	6
		Other non-current liabilities	17
<b>Investments and other assets</b>	<b>113,745</b>	<b>Total liabilities</b>	<b>184,593</b>
Investment securities	0	<b>(Net assets)</b>	
Investment in subsidiaries and affiliates	105,042	<b>Shareholders' equity</b>	<b>87,939</b>
Long-term loans receivable from unconsolidated subsidiaries and affiliated companies	7,321	<b>Common stock</b>	<b>30,122</b>
Other investments	1,382	<b>Capital surplus</b>	<b>30,852</b>
		Legal capital surplus	30,852
		<b>Retained earnings</b>	<b>27,133</b>
		Legal retained earnings	68
		Other retained earnings	27,065
		Retained earnings brought forward	27,065
		<b>Less - treasury stock at cost</b>	<b>(169)</b>
		<b>Valuation and translation adjustments</b>	<b>(74)</b>
		<b>Unrealized gains (losses) on hedging derivative,     net of tax</b>	<b>(74)</b>
		<b>Total net assets</b>	<b>92,235</b>
<b>Total assets</b>	<b>272,458</b>	<b>Total liabilities and net assets</b>	<b>272,458</b>

**Non-Consolidated Statement of Income**  
(For the year ended December 31, 2020)

(Millions of Japanese yen)

Description	Amount	
Sales		231,587
Cost of sales		225,020
<b>Gross profit</b>		<b>6,566</b>
Selling, general and administrative expenses		7,182
<b>Operating loss</b>		<b>(616)</b>
Non-operating income		
Guarantee commission received	277	
Interest and dividend income	1,307	
Other	108	1,693
Non-operating expenses		
Interest expense	583	
Foreign exchange losses	17	
Commission expenses	84	
Other	13	699
<b>Ordinary profit</b>		<b>377</b>
Extraordinary losses		
Provision of allowance for doubtful accounts	1,290	
Retirement benefit expenses	447	1,737
<b>Loss before income taxes</b>		<b>(1,360)</b>
Income taxes - current		159
Income taxes - deferred		434
<b>Loss</b>		<b>(1,954)</b>