

February 6, 2018

MODEC, INC.

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Notice Regarding Surplus Dividend

MODEC, INC. announced today that, in its meeting held on February 6, 2018, the Board of Directors decided to propose dividends of surplus, including special dividends, with the record date of December 31, 2017, to the 32nd general shareholders' meeting scheduled for March 23, 2018, as indicated below.

1. Details of Dividends of Surplus

	Amount determined	Latest dividend forecast (Announced on February 8, 2017)	Previous year results (Year ended December 31, 2016)
Record date	December 31, 2017	December 31, 2017	December 31, 2016
Dividend per share	¥30.00 (Ordinary dividend of ¥20.00) (Special dividend of ¥10.00)	¥20.00	¥18.75
Total dividend amount	1,692 million yen	—	1,057 million yen
Effective date	March 26, 2018	—	March 27, 2017
Dividend resource	Retained earnings	—	Retained earnings

2. Reasons

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

In accordance with the solid performance of this year, the proposed year-end dividend for the fiscal year ended December 31, 2017 will be ¥30.00 including special dividends of ¥10.00 per share (a full year dividend of ¥50.00 per share).

(Reference) Description of Dividends for the Year

	Dividend per share		
Record date	End of 2 nd quarter	Year-end	Full Year
Results of FY 2017	¥20.00	¥30.00	¥50.00
Reference: Results of FY 2016	¥18.75	¥18.75	¥37.50