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MODEC, INC.

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### Plan to comply with the criteria to maintain listing under the new Tokyo Stock Exchange (TSE) market categories

MODEC, INC. submitted an application today to select the Prime Market segment when TSE revises its market segments (scheduled in April 2022).

As we did not fulfill the requirement to become listed on the Prime Market as of the reference date (June 30 2021), we have prepared an action plan to achieve it, as stated below.

- **The status of compliance with the criteria and the planning period**

Our status of compliance with the criteria to become listed on the Prime Market as of the reference date is as follows. As of that date, we did not fulfill the requirement of floating stock ratio. Thus we will take various measures to improve it to meet the required level by the end of December 2023.

	The number of floating stock (unit)	Total market value of floating stock (billion JPY)	Floating stock ratio (%)	Average daily trading value (billion JPY)
Our Status as of the reference date	191,816 units	JPY41.8bil	34.0%	JPY0.32bil
Criteria to become listed on the Prime Market	20,000 units	JPY10.0bil	35.0%	JPY0.02bil
Items to be included in the plan			Yes	

(Note) Our status as of the reference date is calculated based on the information of distribution of share certificates, etc.

- **Basic plan, issues and details of actions to comply with the criteria**

(Basic plan)

We intend to improve the liquidity of the stock in order to promote our constructive dialogue with investors.

(Issue)

Floating stock ratio is low because 64.96% of stocks are owned by major shareholders on the back of the history of company's incorporation and business collaboration agreement for FPSO business promotion.

(Action plan)

We will improve our enterprise value through our Mid-term Business Plan which focuses on (1) FPSO business promotion, (2) Incubation of next business centering on renewable energy, (3) Digitalization strategy. In that process, we will make effort to improve our floating stock ratio by requesting business corporations and financial institutions to sell the stock identified as "Fixed stock" based on criteria for Prime Market.

<Reference> MODEC Group Mid-term Business Plan 2021-2023

[https://www.modec.com/ir/library/presentation/assets/pdf/midterm\\_strategy\\_2021-2023\\_en.pdf](https://www.modec.com/ir/library/presentation/assets/pdf/midterm_strategy_2021-2023_en.pdf)