

May 14, 2024

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**Notice Regarding Secondary Offering of Shares and Changes of Affiliated Companies, Principal Shareholder, and Largest Shareholder (which is also a Principal Shareholder)**

MODEC, INC. (the “Company”) hereby announces that a resolution was adopted at a meeting of the board of directors held on May 14, 2024 in relation to a secondary offering of its shares of common stock (the “Offering”) as follows and that changes in its affiliated companies, principal shareholder, and largest shareholder (which is also a principal shareholder) are expected following the Offering.

I. Secondary Offering of Shares

1. Secondary Offering of Shares (Offering by way of Purchase and Subscription by the Underwriters)

(1) Class and Number of Shares to be Offered 21,908,400 shares of common stock of the Company

(2) Selling Shareholder MITSUI E&S Co., Ltd.

(3) Selling Price To be determined.

(The selling price will be determined in accordance with the method stated in Article 25 of the Regulations Concerning Underwriting of Securities, etc., of the Japan Securities Dealers Association, based on the preliminary pricing terms calculated by multiplying by a factor between 0.90 and 1.00, the closing price of the shares of common stock of the Company in regular trading on the Tokyo Stock Exchange Inc. (and with any fraction less than one yen being rounded down), on a certain date between Wednesday, May 22, 2024 and Tuesday, May 28, 2024. (hereinafter referred to as the “Selling Price Determination Date”) (or by using the closing price on the business day immediately preceding such date, if no closing price was recorded on such date, considering market demand and other conditions for the Offering.)

(4) Method of Offering The Offering shall be a secondary offering by way of purchase and subscription by an underwriting syndicate led by the underwriters designated as joint lead managers (the “Underwriters”). Consideration

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for the Underwriters in connection with the Offering shall be the amount calculated by subtracting the aggregate underwriting value from the aggregate selling price. As part of the Offering, shares may be sold to investors in overseas markets such as Europe and Asia (excluding the United States and Canada).

- (5) Delivery Date The fifth business day following the Selling Price Determination Date.
- (6) Determination of the selling price and all other matters necessary for the offering by way of purchase and subscription by the Underwriters will be entrusted solely to Mr. Hirohiko Miyata, President & CEO of the Company.

2. Secondary Offering of Shares by way of Over-allotment (See <References> 2. below.)

- (1) Class and Number of Shares to be Offered 3,286,200 shares of common stock of the Company  
The above-mentioned number of shares to be offered represents the maximum number of shares to be offered, and the actual number of shares to be offered may decrease, or the offering by way of over-allotment may not be carried out at all, subject to market demand and other conditions. The number of shares to be offered will be determined on the Selling Price Determination Date, considering market demand and other conditions for the Offering.
- (2) Seller The designated lead manager
- (3) Selling Price To be determined.  
(The selling price will be determined on the Selling Price Determination Date. The selling price will be the same as the selling price in the offering by way of purchase and subscription by the Underwriters.)
- (4) Method of Offering In connection with the offering by way of purchase and subscription by the Underwriters, the designated lead manager will, in consideration of market demand and other conditions, undertake a secondary offering of shares of common stock of the Company by borrowing no more than 3,286,200 shares from MITSUI E&S Co., Ltd., the selling shareholder of the offering by way of purchase and subscription by the Underwriters (hereinafter referred to as the "Share Lender").
- (5) Delivery Date The same delivery date as in the offering by way of purchase and subscription by the Underwriters.
- (6) Determination of the selling price and all other matters necessary for the offering by way of over-allotment will be entrusted solely to Mr. Hirohiko Miyata, President & CEO of the Company.

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## <References>

### 1. Purpose of the Secondary Offering of Shares

The Company's Mid-Term Business Plan 2024-2026 is guided by the slogan "Explore a Sustainable Future with Innovation." True to those words, the Company's goal during those three years is to advance the initiatives set for itself to address some of its most important challenges, including the decarbonization of its FPSOs and the development of new businesses. The Company believes that this represents a crucial step in its journey to fulfill its Vision 2034 and grow into a "Global Leading Player in Connecting Ocean and Humanity." The Company will endeavor to make this a reality by strengthening the profitability of its core business, FPSO, making strategic progress in FPSO decarbonization and new business, as well as to strengthen its business foundation including its human capital to prepare for the future, while also promoting sustainability management.

The Company recognizes that enhancing corporate governance will also be important going forward as it looks to pursue these strategies over the medium to long term. The Company has engaged in sustained dialogue, both internally and with its shareholders, about the appropriate shareholder configuration for addressing those concerns. Out of that dialogue came a proposal to put the Company's shares on the market through a secondary offering, which would improve liquidity and expand the Company's shareholder base. Having obtained the consent of the would-be selling shareholder, the Company is pleased to announce the launch of this Offering. The Company's goal with this Offering is to reconfigure its shareholder mix so that it will have a larger and more diverse base of shareholders who support its long-term strategies. The Company also believes that it will lead to a better tradable share ratio for its shares and in accordance with the criteria for maintaining listing on the Tokyo Stock Exchange's Prime Market.

### 2. Secondary Offering of Shares by way of Over-allotment, etc.

The secondary offering of shares by way of over-allotment refers to an offering, in connection with the offering by way of purchase and subscription by the Underwriters, in which the designated lead manager will, in consideration of market demand and other conditions, carry out the secondary offering of the Company shares, by borrowing up to 3,286,200 shares from the Share Lender. While 3,286,200 shares are scheduled to be offered under the offering of shares by way of over-allotment, such number of shares represents the maximum number of shares to be offered, and the actual number of shares to be offered may decrease, or the offering of shares by way of over-allotment may not be carried out at all, subject to market demand and other conditions.

If the offering of shares by way of over-allotment is carried out, the designated lead manager will be granted the right from the Share Lender to acquire additional shares of the Company's common stock, separately from the shares subject to the sale through the offering of shares by way of purchase and subscription by the Underwriters, up to the number of shares to be sold by over-allotment (hereinafter referred to as the "Greenshoe Option"), starting from the delivery date of the sale through the offering of shares by way of purchase and subscription by the Underwriters and the offering of shares by way of over-allotment and ending on Friday, June 21, 2024.

Furthermore, the designated lead manager may purchase shares of common stock on the Tokyo Stock Exchange, Inc., up to the number of shares to be sold in the offering of shares by way of over-allotment,

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with the purpose of returning the borrowed shares (referred to as the "syndicate cover transaction") in the period from the day following the last day of the subscription period for the sale through the offering of shares by way of purchase and subscription by the Underwriters and the offering of shares by way of over-allotment until Wednesday, June 19, 2024 (hereinafter referred to as the "syndicate cover transaction period"). All the common stock acquired by the designated lead manager through the syndicate cover transaction will be allocated for the return of the borrowed shares. It should be noted that during the syndicate cover transaction period, the designated lead manager may decide to discontinue the syndicate cover transaction entirely or terminate the syndicate cover transaction with a number of shares that does not reach the number of shares to be sold through the offering of shares by way of over-allotment.

In addition, the designated lead manager may conduct stabilization transactions in connection with the offering of shares by way of purchase and subscription by the Underwriters and the offering of shares by way of over-allotment and may allocate all or part of the common stock acquired through such stabilization transactions for the return of the borrowed shares.

The remaining borrowed shares after being acquired through the syndicate cover transaction and stabilization transactions and allocated for the return will be returned by the designated lead manager by exercising the Greenshoe Option.

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II. Changes of Affiliated Companies, Principal Shareholder and Largest Shareholder (which is also a Principal Shareholder)

1. Reason for the Change

The Company's affiliated companies, principal shareholder and largest shareholder (which is also a principal shareholder) are expected to change as a result of the secondary offering of shares of common stock of the Company set forth in "I. Secondary Offering of Shares - 1. Secondary Offering of Shares (Offering by way of Purchase and Subscription by the Underwriters)" above.

2. Overview of Shareholders Subject to Change

① Overview of the shareholder that will no longer be an affiliated company, a principal shareholder and the largest shareholder (which is also a principal shareholder).

(1) Name	MITSUI E&S Co., Ltd.	
(2) Address	6-4, Tsukiji 5-chome, Chuo-ku, Tokyo	
(3) Name and title of representative	Takeyuki Takahashi, President and CEO, Representative Director	
(4) Content of businesses	Marine Propulsion Systems, Logistics Systems, Peripheral Businesses and Industrial machinery and system	
(5) Paid-in capital (As of December 31, 2023)	8,846 million Yen	
(6) Date of establishment	July 31, 1937	
(7) Consolidated net assets (as of December 31, 2023)	138,165 million Yen	
(8) Consolidated total assets (as of December 31, 2023)	467,035 million Yen	
(9) Major shareholders and ownership ratios (as of September 30, 2023)	SMBCCP Investment Limited Partnership 1	15.77%
	The Master Trust Bank of Japan, Ltd. (Trust Account)	8.61%
	IMABARI SHIPBUILDING CO., LTD.	3.38%
	JP JPMSE LUX RE MERRILL LYNCH INTERNATI EQ CO (Standing proxy: MUFG Bank, Ltd.)	2.77%
	Custody Bank of Japan, Ltd. (Trust Account)	2.41%
	NORTHERN TRUST GLOBAL SERVICES SE, LUXEMBOURG RE CLIENTS NON-TREATY ACCOUNT(Standing proxy: Securities Services Department, The Hong Kong and Shanghai Banking Corporation Limited, Tokyo Branch)	2.26%
	Mitsui & Co., Ltd. (Standing proxy: Custody Bank of Japan, Ltd.)	2.23%

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	Custody Bank of Japan, Ltd. (Trust Account for the retirement allowance for Sumitomo Mitsui Trust Bank, Limited)	2.04%
	Toshiaki Otake	1.96%
	Morgan Stanley MUFG Securities Co., Ltd	1.74%
(10) Relationship between the Company and MITSUI E&S Co., Ltd.	Capital relationship	As of May 14, 2024, MITSUI E&S Co., Ltd. hold 40.52% of the Company's common stock.
	Personnel relationship	One of the Company directors concurrently serves as an executive officer of MITSUI E&S Co., Ltd., and the Company has accepted four secondees from MITSUI E&S Co., Ltd. Also, the Company has accepted three secondees from Mitsui E&S Shipbuilding Co., Ltd., an equity method affiliate of MITSUI E&S Co., Ltd.
	Business relationship	Not applicable.

Note: Class A preferred shares which SMBCCP Investment Limited Partnership 1 has have no voting rights.

② Overview of the shareholder that will become the largest shareholder (which is also a principal shareholder)

(1) Name	MITSUI & CO., LTD.
(2) Address	2-1, Otemachi 1-chome, Chiyoda-ku, Tokyo
(3) Name and title of representative	Kenichi Hori, President and Chief Executive Officer
(4) Content of businesses	Utilizing global operating locations, network and information resources, MITSUI & CO., LTD. multilaterally pursuing business that ranges from product sales, worldwide logistics and financing, through to the development of major international infrastructure and other projects in the following fields: Mineral & Metal Resources, Energy, Infrastructure Projects, Mobility, Chemicals, Iron & Steel Products, Food, Retail, Wellness, IT & Communication and Corporate Development Business.
(5) Paid-in capital (as of December 31, 2023)	343,062 million Yen

③ Overview of the shareholder that will become the largest shareholder (which is also a principal shareholder)

(1) Name	Mitsui O.S.K. Lines, Ltd.
(2) Address	1-1 Toranomon 2-chome, Minato-ku, Tokyo
(3) Name and title of representative	Takeshi Hashimoto, President and Chief Executive Officer

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(4) Content of businesses	Shipping Industry
(5) Paid-in capital (as of December 31, 2023)	65,757 million Yen

3. Number of Voting Rights held by the Shareholders (Number of Shares Held) and Percentage of Total Voting Rights Before and After Change

(1) MITSUI E&S Co., Ltd.

	Status	Number of voting rights (% of total voting rights) and Number of shares held			Ranking among shareholders
		Direct ownership stake	Consolidated ownership stake	Total	
Before change (as of May 14, 2024)	Affiliated companies, a principal shareholder and the largest shareholder (which is also a principal shareholder)	276,970 (40.53%) 27,697,000 shares	—	276,970 (40.53%) 27,697,000 shares	First
After change	—	57,886 (8.47%) 5,788,600 shares	—	57,886 (8.47%) 5,788,600 shares	Third

- Notes:
1. The percentage of total shareholder voting rights before the change is calculated based on 683,289 of total shareholder voting rights, as of December 31, 2023 less 16,400 shares with no voting rights from the total number of issued shares. Ranking among shareholders is based on the register of shareholders of the Company as of December 31, 2023.
  2. The number of voting rights (% of total voting rights) after the change are calculated by deducting the number of voting rights corresponding to shares to be offered by the selling shareholder as described in "I. Secondary Offering of Shares - 1. Secondary Offering of Shares (Offering by way of Purchase and Subscription by the Underwriters)" of 219,084 voting rights (21,908,400 shares) from the number of voting rights before the change.
  3. By exercising the Greenshoe Option as described in "I. Secondary Offering of Shares - 2. Secondary Offering of Shares by way of Over-allotment" above, the number of voting rights after the change may decrease by up to an additional 32,862 voting rights (3,286,200 shares) from the aforementioned voting rights.
  4. The percentage of total voting rights before the change is rounded to three decimal places.

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(2) MITSUI & CO., LTD.

	Status	Number of voting rights (Number of shares held)	% of total voting rights	Ranking among shareholders
Before change (as of May 14, 2024)	Principal shareholder	101,623 (10,162,300 shares)	14.87%	Second
After change	Principal shareholder, and largest shareholder (which is also a principal shareholder)	101,623 (10,162,300 shares)	14.87%	First

- Notes: 1. The percentage of total shareholder voting rights before change is calculated based on 683,289 of total shareholder voting rights, as of December 31, 2023 less 16,400 shares with no voting rights from the total number of issued shares. Ranking among shareholders is based on the register of shareholders of the Company as of December 31, 2023.
2. The percentage of total voting rights is rounded to three decimal places.

(3) Mitsui O.S.K. Lines, Ltd.

	Status	Number of voting rights (Number of shares held)	% of total voting rights	Ranking among shareholders
Before change (as of May 14, 2024)	Principal shareholder	101,623 (10,162,300 shares)	14.87%	Second
After change	Principal shareholder and largest shareholder (which is also a principal shareholder)	101,623 (10,162,300 shares)	14.87%	First

- Notes: 1. The percentage of total shareholder voting rights before change is calculated based on 683,289 of total shareholder voting rights, as of December 31, 2023 less 16,400 shares with no voting rights from the total number of issued shares. Ranking among shareholders is based on the register of shareholders of the Company as of December 31, 2023.
2. The percentage of total voting rights is rounded to three decimal places.

4. Expected Date of Change

Delivery date (the fifth business day following the Selling Price Determination Date) set forth in "I. Secondary Offering of Shares - 1. Secondary Offering of Shares (Offering by way of Purchase and Subscription by the Underwriters)."

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5. Any Changes in the Unlisted Parent Companies Subject to Disclosure  
Not applicable.

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