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Revision of Financial Forecast for the Fiscal Year Ending December 31, 2011

MODEC, INC. revised today the consolidated half-year financial forecast for the fiscal year ending December 31, 2011 which was announced on February 18, 2011.

1. Half-year consolidated financial forecast

(Millions of Japanese yen)

	Revenue	Operating Profit (Loss)	Ordinary Profit	Net Income	Net Income per share
Previous Forecast (A)	60,000	-	1,500	1,200	25.86
Revised Forecast (B)	60,000	(1,800)	2,600	2,600	56.03
Variance (B-A)	-	-	1,100	1,400	
Variance (%)	-	-	73.3	116.7	
2010 half-year financial results	89,199	2,043	3,136	1,758	42.18

2. Reasons for the revision of the forecast

1,800 million JPY of operating loss is expected due to the operating expense in relation to an FPSO project undertaken by a subsidiary in Singapore which was booked in the first quarter of 2011.

The equity in earnings of an affiliate which provides lease services significantly exceeded the original forecast. As a result, ordinary profit and net income are expected to become 2,600 million JPY.

The consolidated financial forecast announced today is based on the information available as of August 9, 2011. There is a possibility that the actual financial results might differ from the forecast due to various factors.