MODEC, INC. announced today the booking of foreign exchange loss on the consolidated financial statement for the 2011 third quarter.

1. Booking of the foreign exchange loss

The Company holds loans receivable from affiliate companies in foreign currency. Due to recent foreign exchange fluctuations, foreign exchange loss was recorded in the translation of these loans. As a result, 1.3 billion JPY of exchange loss was booked as other expenses on the consolidated financial statement for the 2011 third quarter.

2. Financial Forecast

The Company’s business transaction, both income and expenses, is conducted mainly in foreign currency, US dollars, among others, and the profit in the income statement will be affected by the foreign exchange fluctuations at the timing of book closing. We have not changed the forecast for the 2011 full-year consolidated financial results, however, because there are many uncertainties at this point.