

August 8, 2014

MODEC, INC.

Toshiro Miyazaki, President & CEO

Code: TSE 6269

Contact: Yasuhiro Takano, Executive Officer  
Corporate Planning & Strategies Dept.

TEL: +81-3-5290-1200

**Notice of Difference between Financial Forecast and Results for the Half-year Ended June 30, 2014, and Revision of Financial Forecast for the Year Ending December 31, 2014**

MODEC, INC. hereby notifies the difference between the consolidated financial forecast and the financial results for the half-year ended June 30, 2014. The consolidated financial forecast for the half-year was announced on February 14, 2014 and revised on May 9, 2014. The company revised the consolidated financial forecast for the full-year ending December 31, 2014, which was announced on February 14, 2014.

● Half-year Consolidated Financial Forecast and Results (From January 1, 2014 to June 30, 2014)

	Revenue	Operating Profit	Ordinary Profit	Net Income	Net Income per share
	million yen	million yen	million yen	million yen	yen
Previous Forecast (A)	150,000	2,200	4,200	2,500	49.90
Financial Results (B)	161,977	3,168	5,861	1,079	21.50
Variance (B-A)	11,977	968	1,661	(1,420)	
Variance (%)	8.0	44.0	39.6	(56.8)	
2013 Half-year financial results	107,268	2,651	9,884	5,755	124.01

● Full-year Consolidated Financial Forecast (From January 1, 2014 to December 31, 2014)

	Revenue	Operating Profit	Ordinary Profit	Net Income	Net Income per share
	million yen	million yen	million yen	million yen	yen
Previous Forecast (A)	300,000	8,000	13,000	8,500	183.16
Revised Forecast(B)	300,000	8,000	13,000	6,500	121.88
Variance (B-A)	—	—	—	(2,000)	
Variance (%)	—	—	—	(23.5)	
2013 Full-year financial results	254,401	3,704	15,820	4,922	106.07

● Reason for the difference and the revision

With respect to the half-year consolidated financial results, revenue totaled 161,977 million yen due to EPCI projects achieved higher POC than forecast. Operating profit and ordinary profit stood at 3,168 million yen and

5,861 million yen respectively mainly due to improvement in profitability of EPCI projects and operation and maintenance services and lower SG&A than forecast. Net profit stayed at 1,079 million yen due to amortization of deferred tax assets at an oversea subsidiary.

With respect to the full-year consolidated financial forecast, net income was revised to 6,500 million yen mainly due to amortization of deferred tax assets. Forecast for revenue, operating profit and ordinary profit is unchanged.

The consolidated financial forecast announced today is based on the information available as of August 8, 2014. There is a possibility that the actual financial results might differ from the forecast due to various factors.