

July 28, 2017

MODEC, INC.

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Revision of Financial Forecast for the Half-Year Ended June 30, 2017

MODEC, INC. announced today the revision of the consolidated financial forecast for the Half-year ended June 30, 2017, which was announced on February 8, 2017.

- Half-year Consolidated Financial Forecast (January 1 to June 30, 2017)

	Revenue	Operating Profit	Ordinary Profit	Profit Attributable to Owners of Parent	Earnings per share
	Million yen	Million yen	Million yen	Million yen	yen
Previous Forecast (A)	100,000	6,000	11,000	7,500	132.96
Revised Forecast (B)	100,000	2,700	8,200	6,300	111.69
Variance (B-A)	0	(3,300)	(2,800)	(1,200)	
Variance (%)	0.0	(55.0)	(25.4)	(16.0)	
2016 Half-year financial results	104,031	2,344	6,069	4,405	78.09

Reasons for the Revision

Recognition of the profit deferred during the construction period of an FPSO project in Ghana will slip into the second half of 2017, despite the Company's assumption. As a result, operating profit, ordinary profit and profit attributable to owners of parent have been revised downward.

The FPSO has started oil production since August 2016 and, because the deferred profit is expected to be recognized in this financial year, MODEC has not revised the Full-year financial forecast.

The consolidated financial forecast announced today is based on the information available as of July 28, 2017. There is a possibility that the actual financial results might differ from the forecast due to various factors.