

February 9, 2022

MODEC, INC.

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## Revision of Financial Forecast for the Year Ended December 31, 2021

MODEC, INC. announced today the revision of the consolidated forecast for the full-year ended December 31, 2021, which was announced on February 9, 2021 and revised on November 2, 2021 and January 21, 2022.

- Revision of Financial Forecast for the Year Ended December 31, 2021

Full-year Consolidated Financial Forecast and Results (From January 1, 2021 to December 31, 2021)

	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)	400,000	-	(30,000)	(30,000)	(532.29)
Revised Forecast (B)	440,000	(36,500)	(39,500)	(42,000)	(745.21)
Variance (B-A)	40,000	-	(9,500)	(12,000)	
Variance (%)	10.0	-	-	-	
2020 Full-year financial results	309,925	(21,614)	(12,854)	(13,076)	(232.05)

(Note) Ordinary income is displayed as profit before tax by applying International Financial Reporting Standards (IFRS)

(Reasons for the Revision)

Revenue is expected to increase by approximately 40 billion yen due to a significant depreciation of the yen from the assumed exchange rate at the time of the initial earnings forecast. On the other hand, in terms of profits, as a result of detailed review on additional forecast costs of FPSO Guanabara MV31 and the countermeasure costs of FPSO Anita Garibaldi MV33 in order to prevent the delay of construction work after the full-year earnings forecast revision disclosure on January 21, 2022, it is expected that the costs will increase by approximately 4 billion yen.

In addition, by conservatively estimating future costs related to FPSO operating services in Brazil, the provision for expected loss in future increased by approximately 3 billion yen, and by reversing deferred tax assets of overseas subsidiaries, ordinary loss and loss attributable to owners of the parent is expected to increase.

We deeply apologize for the revision of our earnings forecast, and we will continue to strengthen governance within the Group and strive to recover our earnings as soon as possible. We ask for your continued support.

The consolidated financial forecast announced today is based on the information available as of February 9, 2022. There is a possibility that the actual financial results might differ from the forecast due to various factors.