

December 22, 2023

MODEC, INC.

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Revision of Financial Forecast for the Year Ending December 31, 2023

MODEC, INC. announced today the revision of the consolidated forecast for the full year ending December 31, 2023, which was announced on February 14, 2023 and revised on November 9, 2023.

- Revision of Financial Forecast for the Year Ended December 31, 2023

Full year Consolidated Financial Forecast and Results (From January 1, 2023 to December 31, 2023)

	Revenue	Operating Profit	Profit before tax	Profit Attributable to Owners of Parent	Earnings per share
	US\$ thousand	US\$ thousand	US\$ thousand	US\$ thousand	US\$
Previous Forecast (A)	3,000,000	TBD	TBD	45,000	0.80
Revised Forecast (B)	3,600,000	180,000	200,000	90,000	1.48
Variance (B-A)	600,000	-	-	45,000	
Variance (%)	20.0	-	-	100.0	
2022 Full-year financial results	2,739,762	75,330	54,835	37,377	0.66

	Revenue	Operating Profit	Profit before tax	Profit Attributable to Owners of Parent	Earnings per share
	Million yen	Million yen	Million yen	Million yen	yen
Previous Forecast (A)	448,740	TBD	TBD	6,731	119.40
Revised Forecast (B)	516,600	25,830	28,700	12,915	213.69
Variance (B-A)	67,860	-	-	6,184	
Variance (%)	15.1	-	-	91.8	
2022 Full-year financial results	363,593	9,997	7,277	4,960	88.00

(Note) The original consolidated financial forecasts are converted to Japanese yen, respectively, as follows:

Previous Forecast: 1 US dollar =149.58 Japanese yen at the TTM rate of Sumitomo Mitsui Banking Corporation as of September 29, 2023.

Revised Forecast: 1 US dollar =143.50 Japanese yen at the TTM rate of Sumitomo Mitsui Banking Corporation as of December 21, 2023.

The variance and variance % are calculated on Japanese yen basis presented above.

(Reasons for the Revision)

Revenue is reforecasted upward together with operating profit and profit before tax which have been estimated, because of better progress of the construction work of FPSOs awarded this year.

In addition, profit attributable to owners of the parent and earnings per share are now revised due to credit loss allowance reversal to be recognized as financial income as well as progress of construction work. While this allowance was recorded for loan to the affiliate owning FPSO which has suffered from deterioration in profitability, a part of it may be released as of the end of the year because of possible loan recovery through the sale of FPSO. The impact of this financial income is factored into the revised forecast of profit before tax.

The consolidated financial forecast announced today is based on the information available as of December 22, 2023. There is a possibility that the actual financial results might differ from the forecast due to various factors.