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MODEC, INC.
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Revision of Full-Year Financial Results Forecast
for the Fiscal Year Ended December 31, 2007

MODEC, INC. revised today the forecast for consolidated and non-consolidated half-year financial results for the fiscal year ended December 31, 2007, which was announced on February 14, 2007 and revised on December 17, 2007.

1. Consolidated financial results forecast

(Millions of Japanese yen)

	Sales	Ordinary Income	Net Income	Net Income per share
Previous Forecast (A)	130,000	6,800	3,800	¥101.58
Revised Forecast (B)	143,000	7,500	4,400	¥117.62
Variance (B-A)	13,000	700	600	—
Variance (%)	10.0	10.3	15.8	—
2006 Financial Results	99,149	4,664	3,305	¥88.37

2. Non-consolidated financial results forecast

(Millions of Japanese yen)

	Sales	Ordinary Income	Net Income	Net Income per share
Previous Forecast (A)	50,000	3,900	1,200	¥32.08
Revised Forecast (B)	55,000	4,700	1,800	¥48.12
Variance (B-A)	5,000	800	600	—
Variance (%)	10.0	20.5	50.0	—
2006 Financial Results	28,924	3,373	2,255	¥60.31

3. Reasons for the revision of the forecast

Both sales and profit are expected to increase mainly due to the following reasons:

- 1) The year end exchange rate (¥114.00 @ U.S.\$1) applied for the consolidated and non-consolidated financial statements was more favorable than the expected rate (¥110.00 @ U.S.\$1).
- 2) Actual FPSO/FSOs construction progress exceeded the expected level.