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MODEC, INC.
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Revision of Half-Year Financial Results Forecast for the Fiscal Year Ending December 31, 2008

MODEC, INC. revised today the forecast for consolidated and non-consolidated half-year financial results for the fiscal year ending December 31, 2008, which was announced on February 21, 2008.

1. Half-year consolidated financial results forecast

(Millions of Japanese yen)

	Sales	Operating Profit	Ordinary Income	Net Income
Previous Forecast (A)	60,000	2,200	2,800	2,000
Revised Forecast (B)	64,000	1,600	2,700	1,400
Variance (B-A)	4,000	△600	△100	△600
Variance (%)	6.7	△27.3	△3.6	△30.0

2. Half-year non-consolidated financial results forecast

(Millions of Japanese yen)

	Sales	Operating Profit	Ordinary Income	Net Income
Previous Forecast (A)	23,000	1,900	1,700	1,000
Revised Forecast (B)	15,000	1,050	1,650	950
Variance (B-A)	△8,000	△850	△50	△50
Variance (%)	△34.8	△44.7	△2.9	△5.0

(Note) Forecast for consolidated and non-consolidated financial results for the fiscal year ending December 31, 2008, which was announced on February 21, 2008 has not changed.

3. Reasons for the revision of the forecast

We focused the Group's resources on large FPSO construction for Brazil and other locations, and overseas subsidiaries posted construction sales in accordance with the percentage of completion method. As a result, consolidated sales for the interim period are expected to be ¥64,000 million, which is ¥4,000 million more than the initial forecast, while non-consolidated sales are expected to reach ¥15,000 million, a fall of ¥8,000 million from the initial forecast.

Since non-consolidated sales will be below the initial forecast, we expect non-consolidated operating profit to fall ¥850 million short of the initial forecast, to ¥1,050 million. Non-consolidated ordinary income and net income each are going to be about the same level as the initial forecast, or about ¥50 million below the initial forecast, attributable to dividends received from affiliates.

We expect consolidated operating profit to amount to ¥1,600 million, ¥600 million below the initial forecast, reflecting the effect of unrealized gains relating to construction for affiliates with gains that have been deferred, and overseas subsidiaries posting expenses relating to services ahead of the posting of sales. While consolidated ordinary income is anticipated to decrease to ¥2,700 million, down ¥100 million from the initial forecast, consolidated net income for the interim period is expected to be ¥1,400 million, down ¥600 million from the initial forecast, incorporating an increase in minority interests on strong revenue in consolidated subsidiaries.

We have not changed our consolidated and non-consolidated results forecasts for the full year because there are many uncertainties, including the progress of construction projects, the details of projects for which orders have yet to be placed, and the exchange rate prevailing at the end of the fiscal year to be used for yen conversions.