

November 2, 2021

MODEC, INC.

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Revision of Financial Forecast for the Year Ending December 31, 2021

MODEC, INC. announced today the revision of the consolidated forecast for the full-year ending December 31, 2021, which was announced on February 9, 2021.

In regard to dividend, MODEC, INC. intends to maintain the annual dividend at the level announced on February 9, 2021 (30.00 yen per share including the year-end dividend 15.00 yen).

- Revision of Financial Forecast for the Year Ending 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	-	10,000	5,000	88.73
Revised Forecast (B)	400,000	-	(4,500)	(6,500)	(115.33)
Variance (B-A)	-	-	(14,500)	(11,500)	
Variance (%)	-	-	-	-	
2019 Full-year financial results	309,925	(21,614)	(12,854)	(13,076)	(232.05)

Reasons for the Revision

A number of COVID-19 cases were found on the flotel which was used for special maintenance campaign for FPSO Cidade de Santos MV20. As a consequence, Person on Board was limited and shutdown period for special maintenance was considerably extended due to manpower shortage.

FPSO Cidade de Niterói MV18 is also shutting down its operation in order to repair broken equipment. No income is recognized during shutdown, thus loss of charter and O&M service is expected to increase.

In addition, as a result of careful consideration to future recoverability of GAS OPPORTUNITY MV20 B.V., which is our equity method affiliate, based on the recent trends of its financial results including the situation mentioned above, we intend to reduce the book value of the FPSO Cidade de Santos MV20 held by GAS OPPORTUNITY MV20 B.V. to the recoverable value and post approximately ¥2.9 billion of impairment loss under "Equity in earnings of affiliates" in its financial statements for the third quarter of the consolidated fiscal year ending December 31, 2021.

Moreover, profit of several ongoing EPCI projects will be lower than expected because of decrease in profitability primarily due to delay of construction work.

For all of these reasons, ordinary profit and profit attributable to owners of parent have been revised downward.

The consolidated financial forecast announced today is based on the information available as of November 2, 2021. There is a possibility that the actual financial results might differ from the forecast due to various factors.