

August 9, 2004

MODEC, Inc.
Kenji Yamada, President & CEO
Code: TSE 6269
Contact: Kazuo Kanayama, General Manager Accounting
TEL: 03-5800-6081

Revision of Half-Year Financial Results Forecast
for the Fiscal Year Ending December 31, 2004

We hereby announce that we have revised today the previous forecasts for consolidated and non-consolidated half-year financial forecasts for the fiscal year ending December 31, 2004, which we had announced on February 16, 2004.

1. Forecast for half-year consolidated financial results for the fiscal year ending December 31, 2004 (January 1, 2004 to June 30, 2004)

(Millions of Japanese yen)

	Sales	Ordinary Income	Net Income
Previous Forecast (A)	24,000	700	750
Revised Forecast (B)	30,000	900	800
Variance (B-A)	6,600	200	50
Variance (%)	27.5	28.6	6.7

2. Forecast for half-year non-consolidated financial results for the fiscal year ending December 31, 2004 (January 1, 2004 to June 30, 2004)

(Millions of Japanese yen)

	Sales	Ordinary Income	Net Income
Previous Forecast (A)	10,000	300	150
Revised Forecast (B)	9,900	900	500
Variance (B-A)	△ 100	600	350
Variance (%)	△ 1.0	200.0	233.3

(Note) The above revisions do not change our forecast for the fiscal year ending December 31, 2004, which we had announced on February 16, 2004.

3. Reasons for the revision of the forecast

Consolidated sales are expected to record a large increase as the work progress ratios of our FPSO construction projects as of this mid-year closing has exceeded those of our original plan.

With respect to profit and loss, although on a non-consolidated basis we expect to record a profit increase, on a consolidated basis, we expect our Net Income to make slight increase as compared to our original plan, because of the delay in resumption of Langsa oil field production that our consolidated LANGSA FPSO PTE LTD. (LFPL) has been aiming at with a new oil development company.