

February 8, 2005

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

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

MODEC, Inc. revised today the previous forecast for consolidated and non-consolidated financial forecasts for the fiscal year ending December 31, 2004, which had been announced on February 16, 2004.

1. Forecast for consolidated financial results for the year ending December 31, 2004 (January 1, 2004 to December 31, 2004)

(Millions of Japanese yen)

	Sales	Ordinary Income	Net Income
Previous Forecast (A) (Announced on February 16, 2004)	60,000	3,200	2,200
Revised Forecast (B)	51,000	3,700	2,200
Variance (B-A)	△ 9,000	500	0
Variance (%)	△ 15.0	15.6	-

(Reference)

	Sales	Ordinary Income	Net Income
Results for the year ended December 31, 2003	66,751	3,190	2,029

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

(Millions of Japanese yen)

	Sales	Ordinary Income	Net Income
Previous Forecast (A) (Announced on February 16, 2004)	27,000	1,500	850
Revised Forecast (B)	19,400	2,100	1,100
Variance (B-A)	△ 7,600	600	250
Variance (%)	△ 28.1	40.0	29.4

(Reference)

	Sales	Ordinary Income	Net Income
Results for the year ended December 31, 2003	39,473	1,422	795

3. Reasons for the revision of the forecast

Both consolidated sales and non-consolidated sales are expected to fall short of the previous forecasts due to delayed awards of new projects. This lowered the sales from EPCI projects that are added on project milestone basis.

On the profit side, ordinary profit is expected to surpass the previous forecast and net profit is expected to settle in the previous forecast level. Profit increase is mainly due to the construction progress of ongoing projects, high profit return from several projects, and the consolidation of MODEC International LLC as 100% subsidiary of MODEC, Inc. This offset the profit decrease caused by the Langsa FPSO operation re-start delay.

We plan to pay dividends of 3.75 yen per share for the second half of 2004, as it was previously announced. In combination with the interim dividends of 3.75 yen per share, annual dividends will be 7.50 yen per share.