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MODEC, Inc.
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Revision of Half-Year Financial Results Forecast
for the Fiscal Year Ending December 31, 2005

MODEC, Inc. revised today the previous forecasts for consolidated and non-consolidated half-year financial forecasts for the fiscal year ending December 31, 2005, which had been announced on February 14, 2005.

1. Forecast for half-year consolidated financial results for the fiscal year ending December 31, 2005
    (January 1, 2005 to June 30, 2005)

(Millions of Japanese yen)

	Sales	Ordinary Income	Net Income
Previous Forecast (A)	23,000	2,000	1,000
Revised Forecast (B)	21,000	2,600	1,500
Variance (B-A)	△ 2,000	600	500
Variance (%)	△ 8.6	30.0	50.0

2. Forecast for half-year non-consolidated financial results for the fiscal year ending December 31, 2005 (January 1, 2005 to June 30, 2005)

(Millions of Japanese yen)

	Sales	Ordinary Income	Net Income
Previous Forecast (A)	6,000	400	200
Revised Forecast (B)	6,500	500	350
Variance (B-A)	500	100	150
Variance (%)	8.3	25.0	75.0

(Note) The above revisions do not change the forecast for the fiscal year ending December 31, 2005, which was announced on February 14, 2005.

3.   Reasons for the revision of the forecast

Forecast for consolidated sales was revised to 21,000 million yen, 2,000 million yen below the previous forecast.   This is mainly due to the sales from construction works of KNOC Rong Doi FSO project was considered internal transaction, as the SPC for this project (Rong Doi MV12 Pte Ltd.) became a consolidated subsidiary, not an affiliate accounted for by the equity method.

On the profit side, income from subsidiaries and affiliates that provide charter and operation services flowed in steadily and the exchange rate shifted in favor of yen.   As a result, the Company revised the forecast for half-year consolidated ordinary income to 2,600 million yen and net income to 1,500 million yen respectively.