

November 25, 2005

MODEC, Inc.
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New Share Issue and Secondary Offering of Shares

At its Board of Directors Meeting held on November 25, 2005, MODEC, Inc. decided the New Share Issue and the Secondary Offering of its Shares.

1. Outline of New Share Issue by Public Offering

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| (1) | Number of Newly Issued Shares | Common Stock: 1,774,000 shares |
| (2) | Issue Price | To be determined on any date from Monday, December 5, 2005 through Friday, December 9, 2005. |
| (3) | Amount not be Booked to Capital | To be calculated by subtracting the Amount to be book to Capital from the Issue Price. The Amount to be Booked to Capital will be the half of the Issue Price with any fractions less than one yen being rounded up. |
| (4) | Subscription Method | Nomura Securities Co., Ltd., Daiwa Securities SMBC Co. Ltd., Mizuho Securities Co., Ltd., and SMBC Friend Securities Co., Ltd. (hereinafter "the Underwriter") are acting as managing underwriters. The Offer Price in Public Offering will be based on the closing price of the Company on the Offer Price Determination Date (if the closing price was not settled, the closing price of the nearest date will be applied), which will be multiplied by 0.90~1.00 (any fractions less than one yen will be rounded down) and determined in consideration of the demand. |
| (5) | Commission paid to the Underwriter | In lieu of Commission, the difference between the Offer Price in Public Offering and the Issue Price paid to the Company from the Underwriter will be paid to the Underwriter. |
| (6) | Subscription Period | To be the period from the business day following the Offer Price Determination Date through the second business day following the Offer Price Determination Date. |
| (7) | Delivery Date | To be on any date from Monday, December 12, 2005 through Friday, December 16, 2005 and on the fifth business day from the Offer Price Determination Date. |

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| (8) | Initial Date for Dividend Accrual | Friday, July 1, 2005 |
| (9) | Unit of Shares | 100 Shares |
| (10) | The Company grants the President & CEO of the Company the discretion to determine the Issue Price, Amount not be Booked to Capital, and all other matters necessary concerning the New Share Issue. | |
| (11) | Each item described above is subject to the effectiveness of the filing under the Securities and Exchange Law of Japan. | |

2. Outline of Secondary Offering of Shares by the Underwriter

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| (1) | Number of Shares to be Offered | Common Stock: 300,000 shares |
| (2) | Selling Shareholder | Sojitz Corporation |
| (3) | Offer Price | To be determined on the Offer Price Determination Date and to be the same amount as the Offer Price in Public Offering. |
| (4) | Offering Method | All the shares to be offered will be underwritten by the Underwriter. The Underwriter will receive the aggregate amount of difference by subtracting the Underwritten Price to be paid by the Underwriter to the Selling Shareholder (the same amount as the Issue Price by Public Offering) from the Offer Price. |
| (5) | Subscription Period | To be the same period as Public Offering. |
| (6) | Delivery Date | To be the sixth business days following the Offer Price Determination Date. |
| (7) | Unit of Shares | 100 Shares |
| (8) | The Company grants the President & CEO of the Company the discretion to determine all matters necessary for this Secondary Offering of shares. | |
| (9) | Each item described above is subject to the effectiveness of the filing under the Securities and Exchange Law of Japan. | |

3. Outline of Secondary Offering of Shares by Over Allotment

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| (1) | Number of Shares to be Offered | Common Stock: 200,000 shares |
| (2) | Seller | Nomura Securities Co., Ltd. |

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| (3) | Offer Price | To be determined on the Offer Price Determination Date and to be the same amount as the Offer Price in Public Offering and the Offer Price in the Secondary Offering of shares by the Underwriter. |
| (4) | Offering Method | Nomura Securities Co., Ltd. will offer up to 200,000 shares of the Company borrowed from the Company's Shareholder in consideration of the demand in Public Offering and the Secondary Offering of Shares by the Underwriter. |
| (5) | Subscription Period | To be the same period as the Secondary Offering of shares by the Underwriter. |
| (6) | Delivery Date | To be the same date as the Secondary Offering of shares by the Underwriter. |
| (7) | Unit of Shares | 100 Shares |
| (8) | The Company grants the President & CEO of the Company the discretion to determine all matters necessary for this Secondary Offering of shares. | |
| (9) | Each item described above is subject to the effectiveness of the filing under the Securities and Exchange Law of Japan. | |

4. Outline of New Share Issue by Third Party Allotment

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| (1) | Number of Newly Issued Shares | Common Stock: 1,626,000 shares |
| (2) | Issue Price | To be determined on the Offer Price Determination Date and to be the same amount as the Offer Price in Public Offering. |
| (3) | Amount not be Booked to Capital | To be calculated by subtracting the Amount to be book to Capital from the Issue Price. The Amount to be Booked to Capital will be the half of the Issue Price with any fractions less than one yen being rounded up. |
| (4) | Allotment Grantee and Number of Allotted Shares | Mitsui Engineering & Shipbuilding Co., Ltd. 1,626,000 shares |
| (5) | Subscription Period | To be the same period as Public Offering. |
| (6) | Delivery Date | To be the same date as Public Offering. |
| (7) | Initial Date for Dividend Accrual | Friday, July 1, 2005 |
| (8) | Unit of Shares | 100 Shares |
| (9) | The Company grants the President & CEO of the Company the discretion to determine the Issue Price, Amount not be Booked to Capital, and all other matters necessary concerning the | |

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| | Third Party Allotment. |
| (10) | Each item described above is subject to the effectiveness of the filing under the Securities and Exchange Law of Japan. |