

MODEC, INC. and Consolidated Subsidiaries

CONSOLIDATED BALANCE SHEET

March 31, 2015

ASSETS

Millions of
Japanese yen

CURRENT ASSETS:	
Cash and time deposits	¥45,903
Accounts receivable - trade	165,447
Inventories	6,167
Short-term loans receivable	27,317
Other current assets	14,538
Less-Allowance for bad debts	(428)
Total current assets	<u>258,945</u>
PROPERTY AND EQUIPMENT:	
Vessels and equipment	13,407
Other	3,467
Total property and equipment	<u>16,874</u>
INTANGIBLE ASSETS:	7,590
INVESTMENTS AND OTHER ASSETS:	
Investment securities	44,225
Long-term loans receivable	27,007
Other investments	9,330
Less - Allowance for bad debts	(1,817)
Total investments and other assets	<u>78,745</u>
Total assets	<u><u>¥362,155</u></u>

* The figures are rounded down to the nearest million yen.

LIABILITIES AND NET ASSETS

Millions of
Japanese yen

CURRENT LIABILITIES:	
Accounts payable - trade	¥160,075
Short-term loans payable	2,940
Current portion of long-term loans payable	2,271
Accrued expenses	7,672
Income taxes payable	4,965
Advances received	4,297
Accrued employees' bonuses	93
Provision for product warranties	5,920
Provision for loss on construction contracts	146
Other provisions	666
Other current liabilities	3,089
Total current liabilities	<u>192,138</u>
 LONG-TERM LIABILITIES:	
Long-term loans payable	39,419
Net defined benefit liabilities	197
Other long-term liabilities	25,149
Total long-term liabilities	<u>64,765</u>
 Total liabilities	256,904
 NET ASSETS	
SHAREHOLDERS' EQUITY:	
Common stock;	
authorized - 102,868,000 shares	
outstanding - 56,408,000 shares	30,122
Capital surplus	30,852
Retained earnings	33,149
Less - Treasury stock at cost	(1)
Total shareholders' equity	<u>94,123</u>
 ACCUMULATED GAINS (LOSSES) FROM VALUATION	
Unrealized gains/(losses) on available-for-sale securities, net of tax	6
Unrealized gains/(losses) on hedging derivative, net of tax	(18,510)
Foreign currency translation adjustments	16,907
Retirement liability adjustments for foreign consolidated subsidiaries, net of tax	(192)
Total accumulated gains (losses) from valuation	<u>(1,789)</u>
 MINORITY INTERESTS IN CONSOLIDATED SUBSIDIARIES:	12,917
 Total net assets	<u>105,251</u>
Total liabilities and net assets	<u><u>¥362,155</u></u>

* The figures are rounded down to the nearest million yen.

MODEC, INC. and Consolidated Subsidiaries

CONSOLIDATED STATEMENT OF INCOME

For the three months ended March 31, 2015

	Millions of Japanese yen
SALES	¥72,722
COST OF SALES	68,900
Gross profit (loss)	3,821
SELLING, GENERAL AND ADMINISTRATIVE EXPENSES	3,369
Operating profit (loss)	452
OTHER INCOME (EXPENSES):	
Interest income and dividend income	791
Interest expense	(158)
Equity in earnings of affiliates and unconsolidated subsidiaries	1,823
Gain on revaluation of derivatives	2,097
Foreign exchange gain (loss), net	(3,001)
Loss on liquidation of subsidiaries and affiliates	(114)
Loss on abandonment of property and equipment	(144)
Provision for abandonment of property and equipment	(615)
Other, net	88
Total other income (expenses)	767
INCOME BEFORE INCOME TAXES AND MINORITY INTERESTS:	1,220
INCOME TAXES:	
Current	2,047
Prior	3
Deferred	(689)
INCOME (LOSS) BEFORE MINORITY INTERESTS	(140)
MINORITY INTERESTS	131
NET INCOME (LOSS)	(¥271)
<i>* The figures are rounded down to the nearest million yen.</i>	
Net income (loss) per share	(¥4.81)

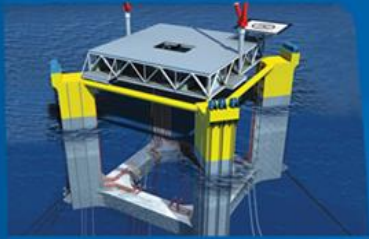
MODEC, INC. and Consolidated Subsidiaries

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

For the three months ended March 31, 2015

	Millions of Japanese yen
Income (loss) before minority interests	<u>(¥140)</u>
Other comprehensive income	
Unrealized gains/(losses) on available-for-sale securities, net of tax	4
Unrealized gains/(losses) hedging derivatives, net of tax	(1,593)
Foreign currency transaction adjustments	1,547
Retirement liability adjustments for foreign consolidated subsidiaries	6
Share of other comprehensive income of associates accounted for using equity method	<u>(3,303)</u>
Total	<u>(3,338)</u>
Comprehensive income	<u><u>(¥3,478)</u></u>
Comprehensive income attributable to owners of the parent	(¥3,525)
Comprehensive income attributable to owners of minority interests	¥46

* *The figures are rounded down to the nearest million yen.*



MODEC, INC.

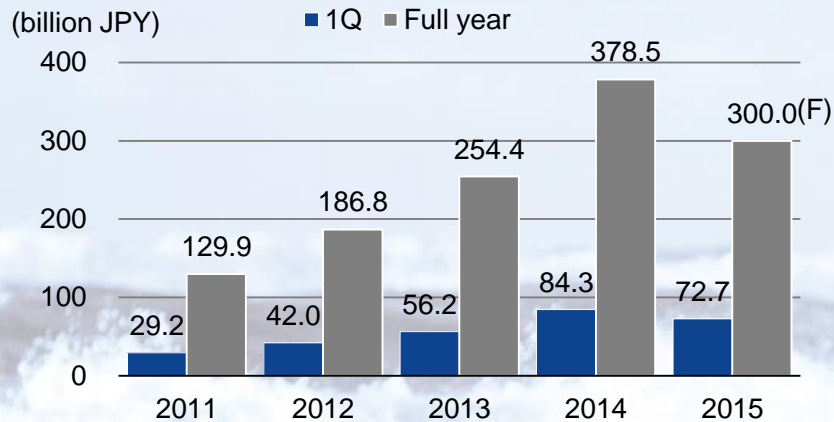
2015 First Quarter Financial Results Supplementary Presentation

May 8, 2015



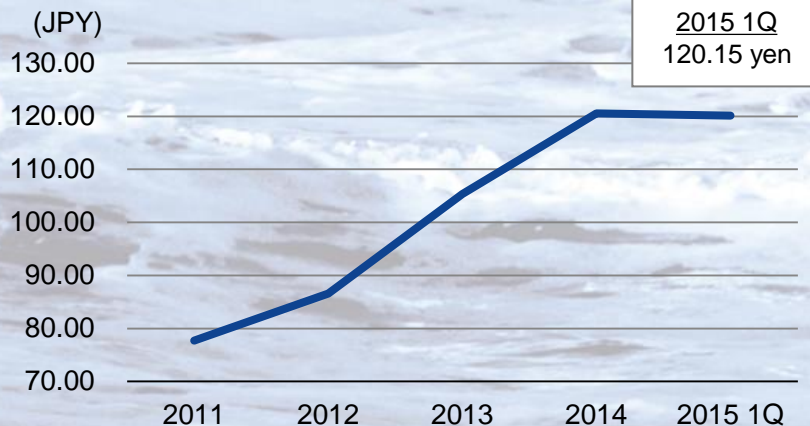
2015 First Quarter : Highlight

Revenue



- Revenue was 72.7 billion JPY
 - Revenue from EPCI was recognized on POC basis; constructions well progressed including MV26 that will be completed in 2015
 - Revenue from MV24 which started production from 2014 4Q mainly contributed to the revenue from operation & maintenance services

Exchange Rate on Closing Dates (\$/¥)



- 2015 1Q exchange rate was 120.15 yen per US dollar

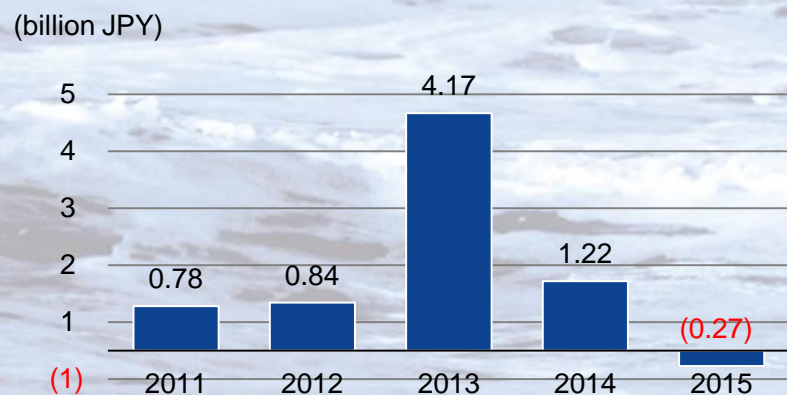
2015 First Quarter : Highlight

1Q Ordinary Profit



- Ordinary profit was 2 billion yen
 - Approx. 2 billion yen of gain on valuation of derivatives was recognized
 - Due to weakened Brazilian Real, approx. 2.9 billion yen of foreign exchange loss was recognized on the US dollar denominated liability owned by a subsidiary in Brazil which provides operation and maintenance services

1Q Net Income/Loss



- 0.3 billion yen of net loss was temporarily recognized in 2015 1Q due to the recognition of foreign exchange loss

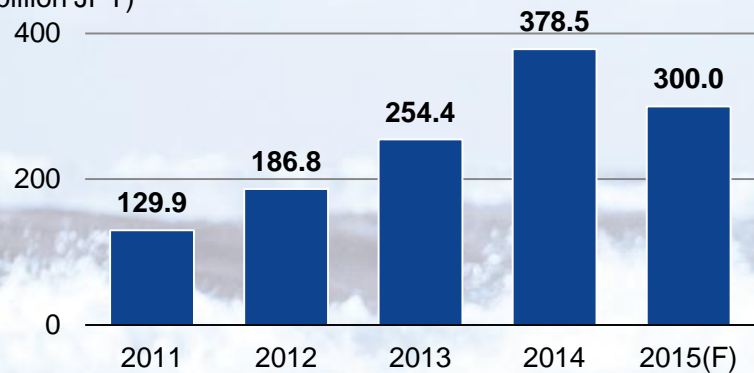
2015 Financial Forecast

Exchange Rate on Closing Dates (\$/¥)

2011	2012	2013	2014	2015(F)
77.74	86.56	105.37	120.56	110.00

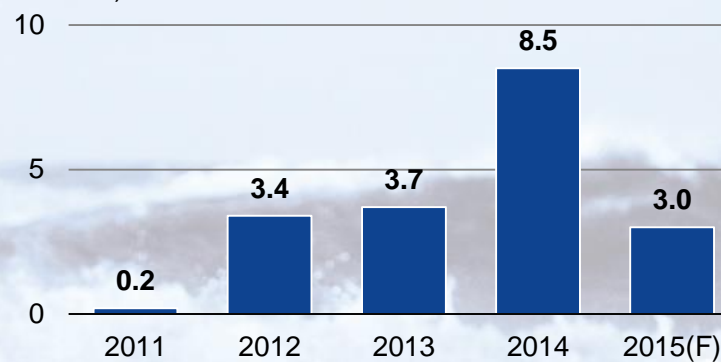
Revenue

(billion JPY)



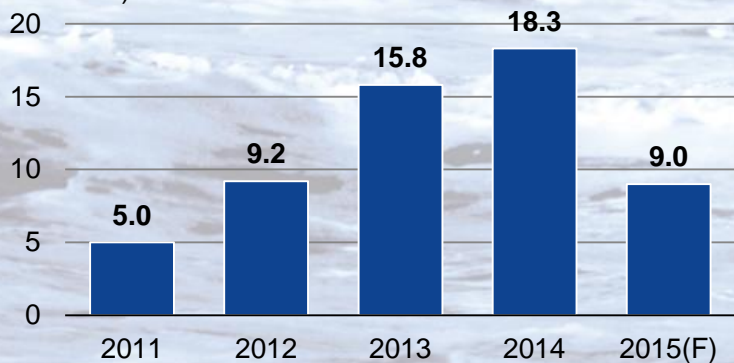
Operating Profit

(billion JPY)



Ordinary Profit

(billion JPY)



Net Income

(billion JPY)

