

MODEC, INC. and Consolidated Subsidiaries

**CONSOLIDATED BALANCE SHEET**

March 31, 2016

**ASSETS**

	<u>Millions of Japanese yen</u>
<b>CURRENT ASSETS:</b>	
Cash and time deposits	¥41,364
Accounts receivable - trade	130,543
Inventories	2,996
Short-term loans receivable	23,134
Other current assets	17,058
Less-Allowance for bad debts	<u>(1,233)</u>
Total current assets	213,864
<b>PROPERTY AND EQUIPMENT:</b>	
Vessels and equipments	14,081
Others	<u>2,309</u>
Total property and equipment	16,390
<b>INTANGIBLE ASSETS:</b>	7,025
<b>INVESTMENTS AND OTHER ASSETS:</b>	
Investment securities	51,534
Long-term loans receivable	28,748
Collateralized deposits	2,509
Other investments	11,686
Less - Allowance for bad debts	<u>(1,703)</u>
Total investments and other assets	92,774
Total assets	<u><u>¥330,054</u></u>

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

## LIABILITIES AND NET ASSETS

	Millions of Japanese yen
<b>CURRENT LIABILITIES:</b>	
Accounts payable - trade	¥131,022
Short-term loans payable	2,252
Current portion of long-term loans payable	5,855
Accrued expenses	8,663
Income taxes payable	4,822
Advances received	4,550
Accrued employees' bonuses	89
Provision for product warranties	6,299
Other provisions	8
Other current liabilities	2,044
Total current liabilities	<u>165,609</u>
<b>LONG-TERM LIABILITIES:</b>	
Long-term loans payable	46,541
Net defined benefit liabilities	223
Other long-term liabilities	12,062
Total long-term liabilities	<u>58,827</u>
Total liabilities	224,436
<b>NET ASSETS:</b>	
<b>SHAREHOLDERS' EQUITY:</b>	
Common stock; authorized - 102,868,000 shares outstanding - 56,408,000 shares	30,122
Capital surplus	30,852
Retained earnings	40,788
Less - Treasury stock at cost	(1)
Total shareholders' equity	<u>101,761</u>
<b>ACCUMULATED GAINS (LOSSES) FROM VALUATION:</b>	
Unrealized gains/(losses) on available-for-sale securities, net of tax	(29)
Unrealized gains/(losses) on hedging derivative, net of tax	(20,035)
Foreign currency translation adjustments	11,434
Retirement liability adjustments for foreign consolidated subsidiaries, net of tax	(171)
Total accumulated gains (losses) from valuation	<u>(8,802)</u>
<b>NON-CONTROLLING INTERESTS</b>	12,659
Total net assets	<u>105,618</u>
Total liabilities and net assets	<u><u>¥330,054</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, 2016

	Millions of Japanese yen
SALES	¥52,962
COST OF SALES	48,164
Gross profit (loss)	4,797
SELLING, GENERAL AND ADMINISTRATIVE EXPENSES	3,019
Operating profit (loss)	1,778
OTHER INCOME (EXPENSES):	
Interest and dividend income	939
Interest expense	(379)
Equity in earnings of affiliates and unconsolidated subsidiaries	2,659
Gain on revaluation of derivatives	1,242
Foreign exchange gain (loss), net	(2,012)
Others, net	268
Total other income (expenses)	2,717
INCOME (LOSS) BEFORE INCOME TAXES	4,496
INCOME TAXES:	
Current	1,272
Deferred	(416)
PROFIT (LOSS)	¥3,639
PROFIT (LOSS) ATTRIBUTABLE TO NON-CONTROLLING INTERESTS	124
PROFIT (LOSS) ATTRIBUTABLE TO OWNERS of PARENT	3,515
<i>* The figures are rounded down to the nearest million yen.</i>	
Net income (loss) per share	¥62.33

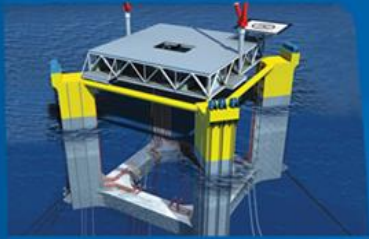
MODEC, INC. and Consolidated Subsidiaries

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

For the three months ended March 31, 2016

	Millions of Japanese yen
Profit (Loss)	<u>¥3,639</u>
Other comprehensive income:	
Unrealized gains/(losses) on available-for-sale securities, net of tax	(36)
Unrealized gains/(losses) hedging derivatives, net of tax	667
Foreign currency translation adjustments	(3,588)
Retirement liability adjustments for foreign consolidated subsidiaries	18
Share of other comprehensive income of entities accounted for using equity method	<u>(9,078)</u>
Total other comprehensive income	<u>(12,017)</u>
Comprehensive income	<u><u>(¥8,377)</u></u>
Comprehensive income attributable to owners of the parent	(¥7,609)
Comprehensive income attributable to non-controlling interests	(¥768)

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



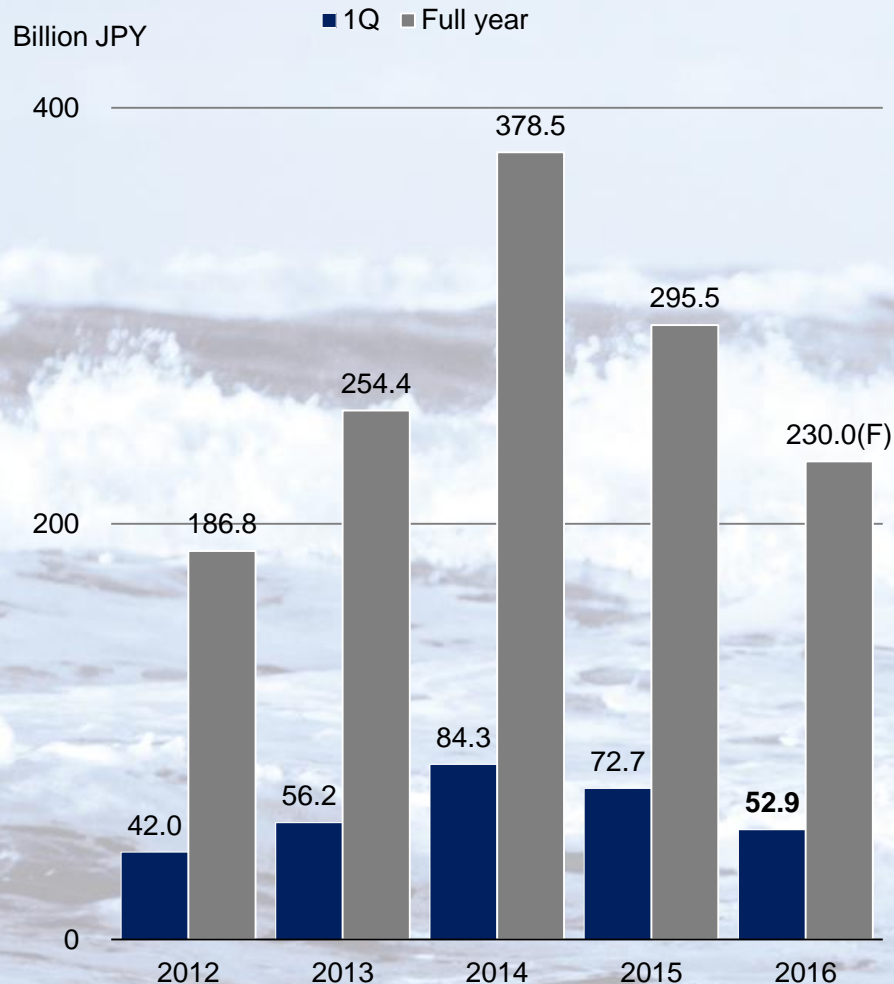
# MODEC, Inc. 2016 1Q Financial Results Supplementary Presentation

May 6, 2016



# 2016 First Quarter : Highlight

## Revenue



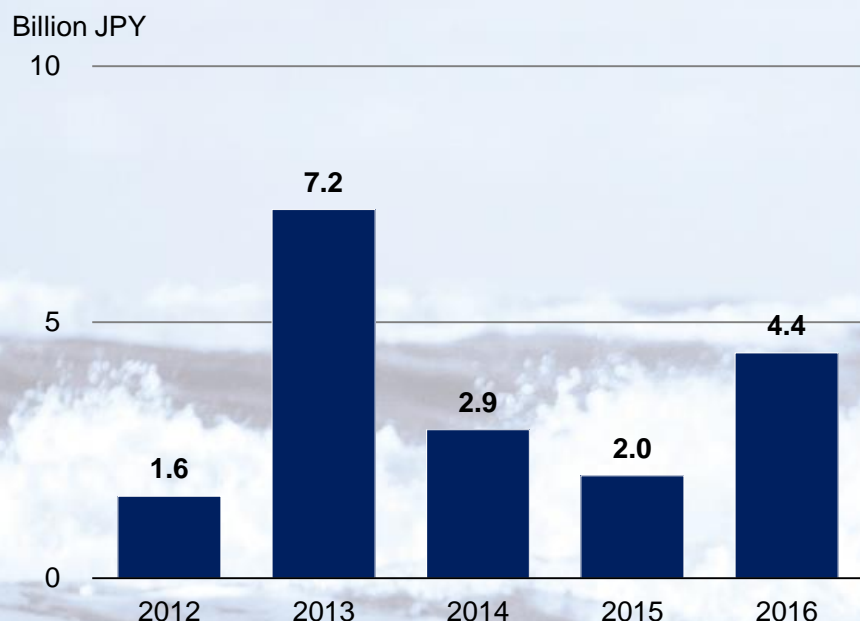
- Revenue was 52.9 billion JPY
- Percentage of completion in MV25 and MV27 slowed due to sail out from shipyards in 2016 1Q
- EPC of MV29 and Culzean FSO progressed on track and revenue from both projects (recognized in accordance with percentage of completion) increased significantly from same period last year
- MV26 started operation in 2015 3Q and contributed to revenue from O&M



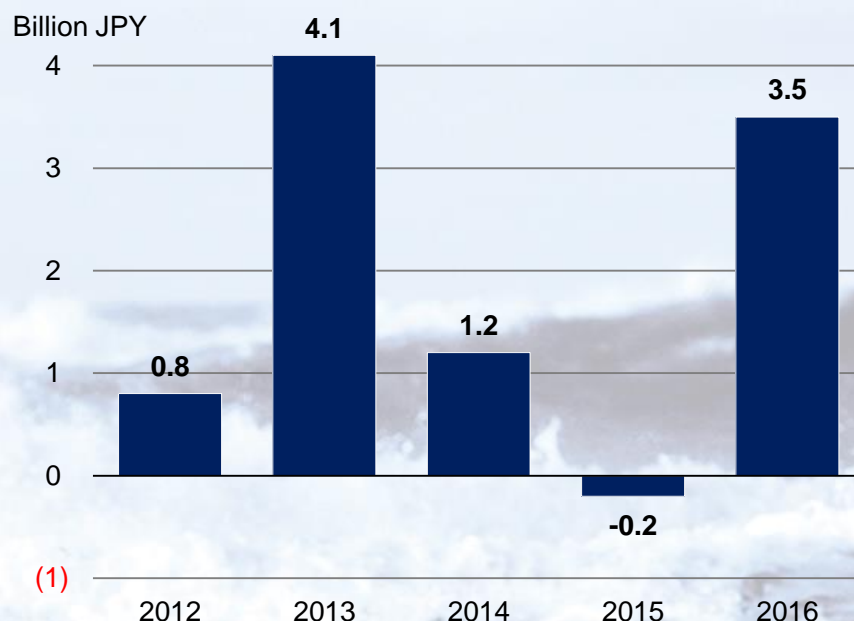
FPSO Cidade de Itaguaí MV26

# 2016 First Quarter : Highlight

## 1Q Ordinary Profit



## 1Q Profit Attributable to Owners of Parent



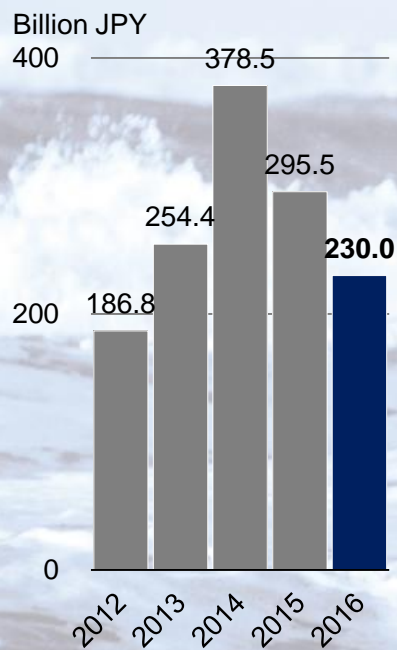
- Ordinary profit was 4.4 billion JPY
- Operating profit increased by 1.3 billion JPY to 1.7 billion JPY from same period last year due to production from MV11 (MV11 suspended production in 2015 1Q) and change orders in EPC
- Equity in earnings of affiliates was 2.6 billion JPY, increased by 0.8 billion JPY from same period last year

- Profit attributable to owners of parent increased in accordance with increase in ordinary profit

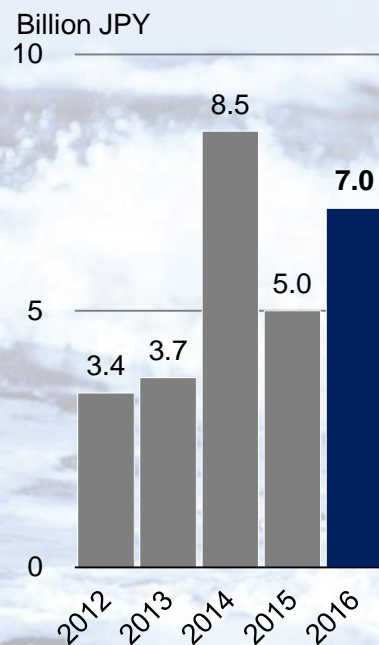
# FY2016 : Outlook

- Full year guidance remains unchanged

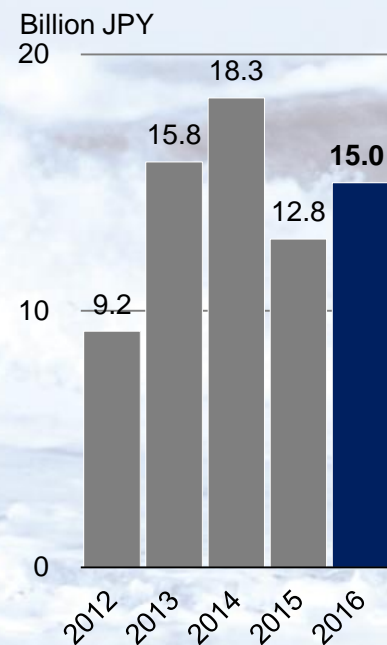
## Revenue



## Operating Profit



## Ordinary Profit



## Profit Attributable to Owners of Parent

