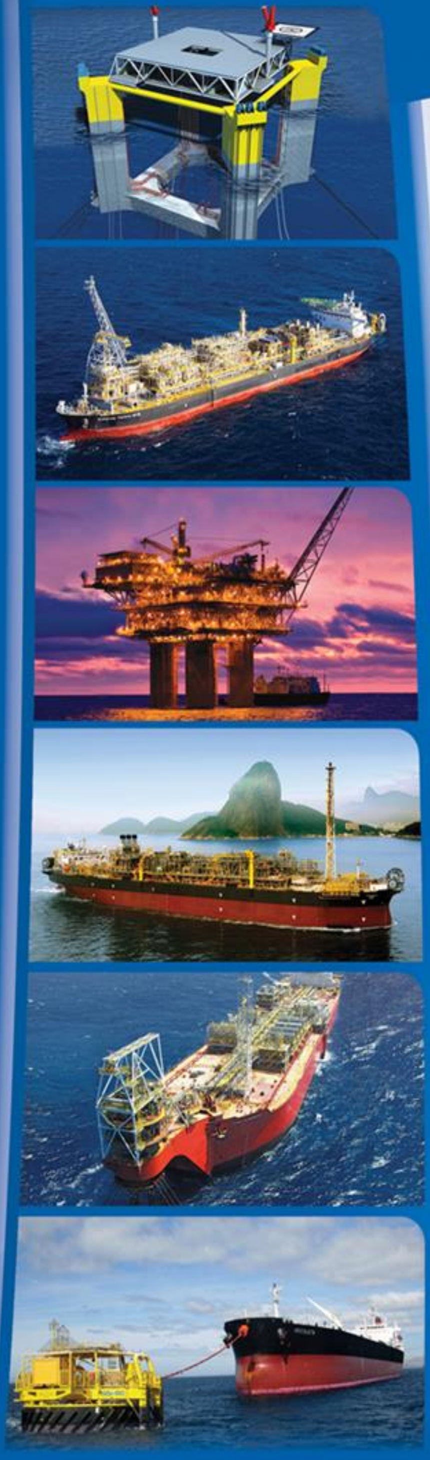

MODEC, Inc.
2013 Financial Results
Analysts Presentation

February 14, 2014

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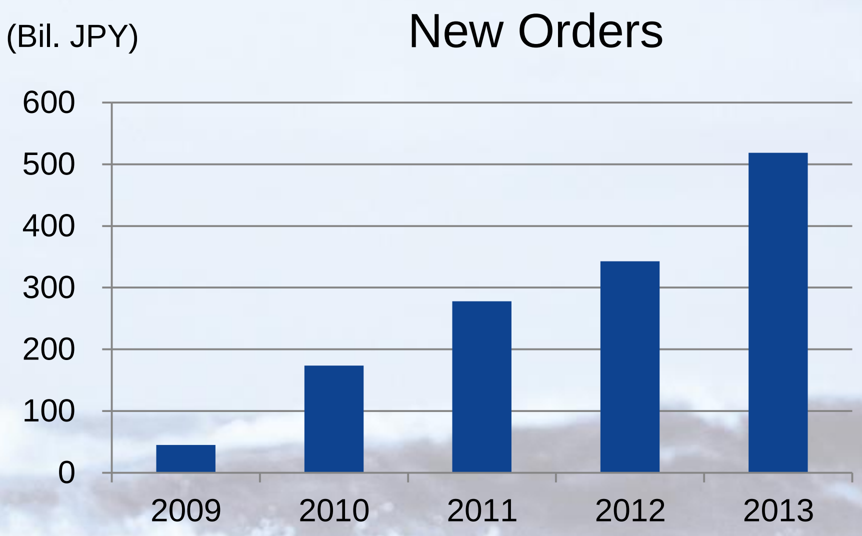
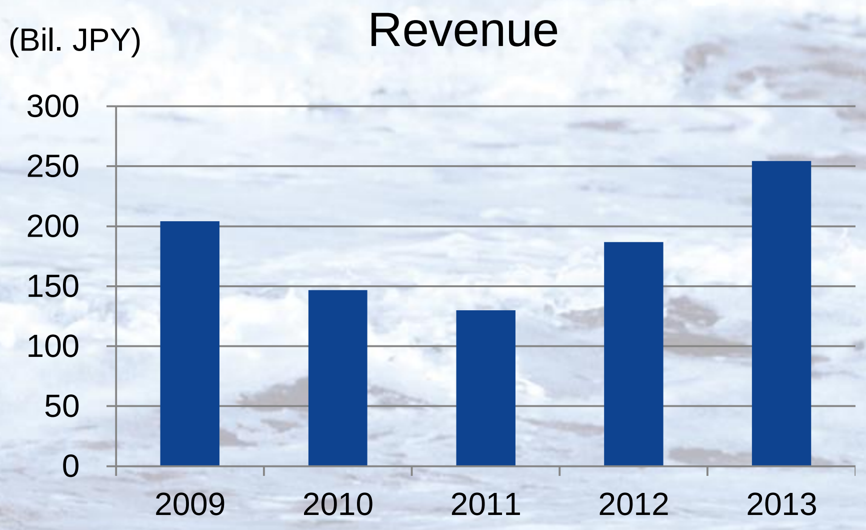
Operations Review

2013 Operations Overview

- New Order recorded the highest level
  - Awarded 2 FPSO: Tullow T.E.N. MV25 FPSO and FPSO Cidade de Caraguatatuba MV27
  - New order including constriction and operation service reached the highest level of JPY 518.4 billion (up by 51.3% from the previous year and higher than JPY 342.6billion recorded in 2012)

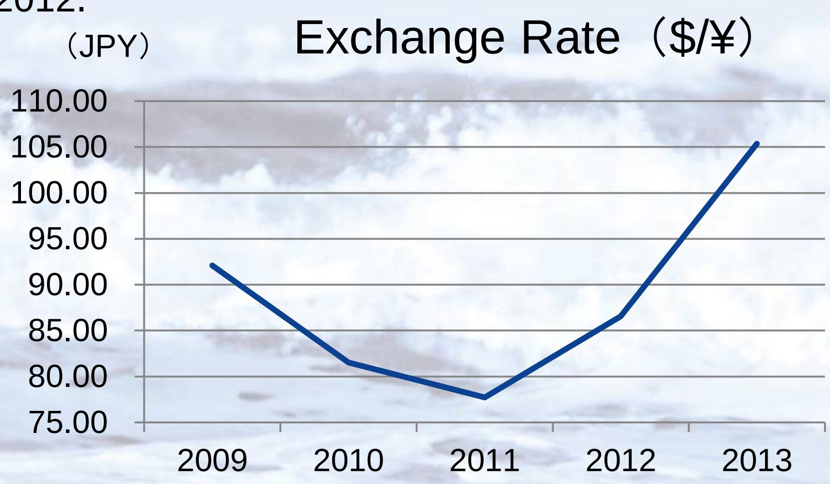


- Revenue recorded the highest level as well
  - Construction progresses of FPSO Cidade de Itagual MV26 was better than budgeted.
  - Revenue including Operation service for FPSO Cidade de Sao Paulo MV23 and others reached the highest level of JPY 254.4 billion (up by 36.1% from the previous year and higher than JPY 204.2 billion recorded in 2009)

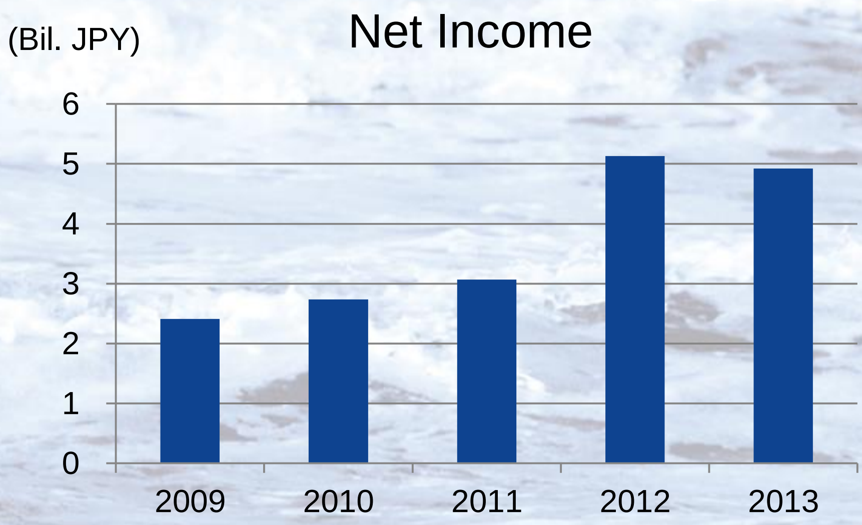


2013 Operations Overview

- Ordinary profit recorded the highest level of JPY15.8 billion
  - Earnings of affiliates recorded JPY 5.6 billion
  - JPY 3.8 billion was booked as FX gain as USD/JPY exchange rate rose to 105.37 in 2013 from 86.56 in 2012.

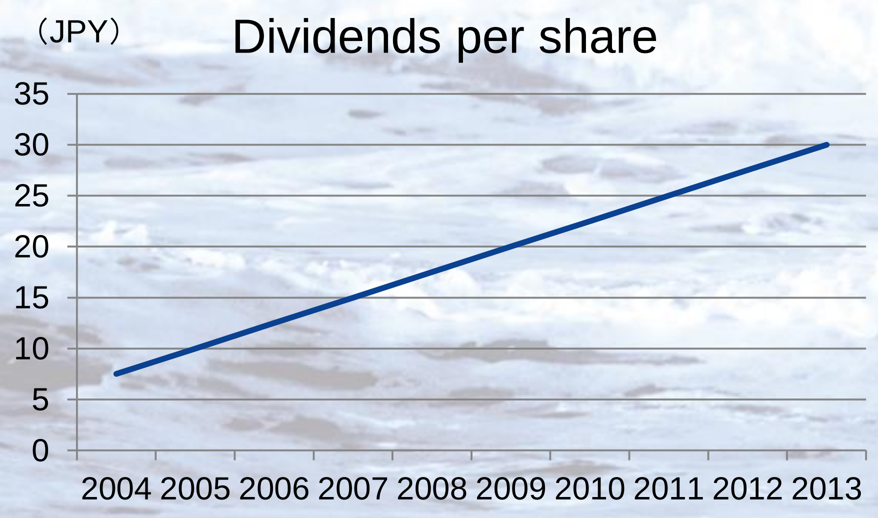


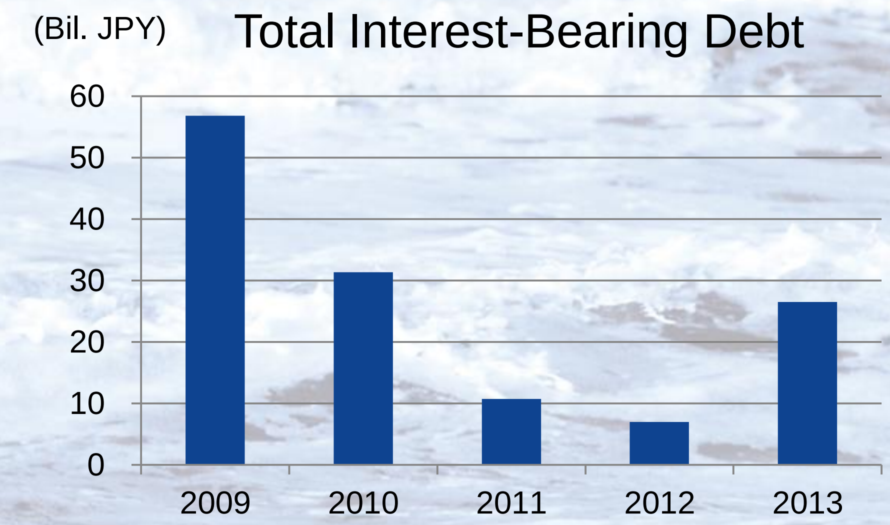
- Net Income stayed at the highest level of JPY 4.9 billion



2013 Operations Overview

- Net worth equity Capital: Increased to 70.8 billion
- Proposed annual dividend : 30.00 JPY per share
  - Dividend has been increasing every year for 9 years.





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Major Orders in 2013

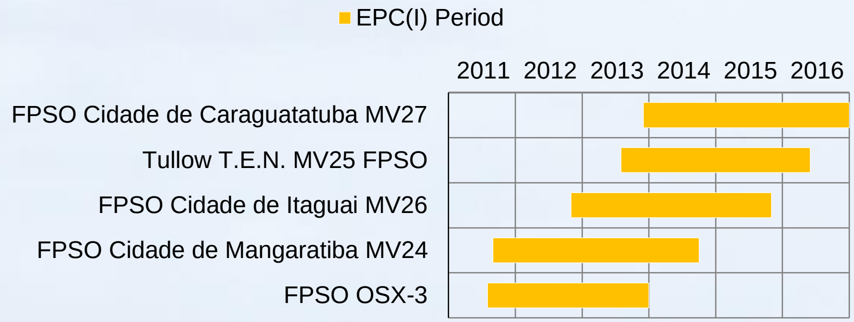
Tullow T.E.N. MV25 FPSO

Client: Tullow Ghana Limited.
Scope of Work: EPCI + Time Charter
(10 years 10 one –year options）
First Oil: Planned 2016 2Q
Field: T.E.N.(Tweneboa/Enyenra/Ntomme) field (Ghana)
Water Depth: 1,500m
Storage Capacity: 1,700,000 bbls
Oil Production 100,000 bopd

FPSO Cidade de Caraguatatuba MV27

Client: Petro Brasileiro S.A.
Scope of Work: EPCI + Time Charter
(20years）
First Oil: Planned 2016 3Q
Location: Carioca field (Brazil)
Water Depth: 2,100m
Storage Capacity: 1,600,000 bbls
Oil Production: 100,000 bopd

Construction Projects in 2013



FPSO Cidade de Itaguai MV26

EPC + Time Charter (20 yrs.)
Delivery : Planned 2015 4Q
Field : Iracema Norte field (Brazil)
- Under construction at
  COSCO Dalian shipyard

OSX-3 FPSO

EPCI
First Oil: Done
Field: Waikiki Pero Inga fields (Brazil)

FPSO Cidade de Mangaratiba MV24

EPC + Time Charter (20 yrs.)
Delivery : Planned 2014 4Q
Field : Cernambi Sul field (Brazil)
- Under construction at BrasFELS shipyard

Tullow T.E.N. MV25 FPSO

EPCI + Time Charter (10 yrs. + 10 one year Option)
Delivery: Planned 2016 2Q
Field : T.E.N.(Tweneboa/Enyenra/Ntomme) field (Ghana)
- Under construction at Jurong shipyard

New Award in 2013

FPSO Cidade de Caraguatatuba MV27

EPCI + Time Charter (20 yrs.)
Delivery: Planned 2016 3Q
Field : Carioca field (Brazil)

New Award in 2013

Time Charter / O&M Projects (As of February 2014)

Under construction : 4 FPSOs
T/C (Time Charter) : 12 FPSOs/FSOs
O&M : 4 FPSOs

Southeast Asia


FPSO
Song Doc Pride MV19
(T/C)


FSO
Rang Dong MV17
(T/C)


FSO
Rong Doi MV12
(T/C)

West Africa

Tullow T.E.N. FPSO
(T/C)


FPSO
Kwame Nkrumah MV21
(O&M)


FPSO
Baobab Ivoirien MV10
(T/C)

Oceania


FPSO
Pyrenees Venture
(O&M)


FPSO
Raroa
(O&M)


FPSO
Stybarrow Venture MV16
(T/C)


FPSO
MODEC Venture 11
(T/C)

Brazil

Petrobras Carioca FPSO
FPSO
Cidade de Caraguatatuba MV27
(T/C)

Petrobras Iracema North FPSO
FPSO
Cidade de Itaguai MV26
(T/C)

Petrobras Cernambi South FPSO
FPSO
Cidade de Mangaratiba MV24
(T/C)


FPSO
Cidade de Sao Paulo MV23
(T/C)


FPSO
Cidade de Angra dos Reis MV22
(T/C)


FPSO
Cidade de Santos MV20
(T/C)


FPSO
Cidade de Niteroi MV18
(T/C)


FSO
Cidade de Macae MV15
(T/C)


FPSO
Cidade do Rio de Janeiro MV14
(T/C)


FPSO
Fluminense
(O&M)

(T/C) : Own & Operate
(O&M) : Operate

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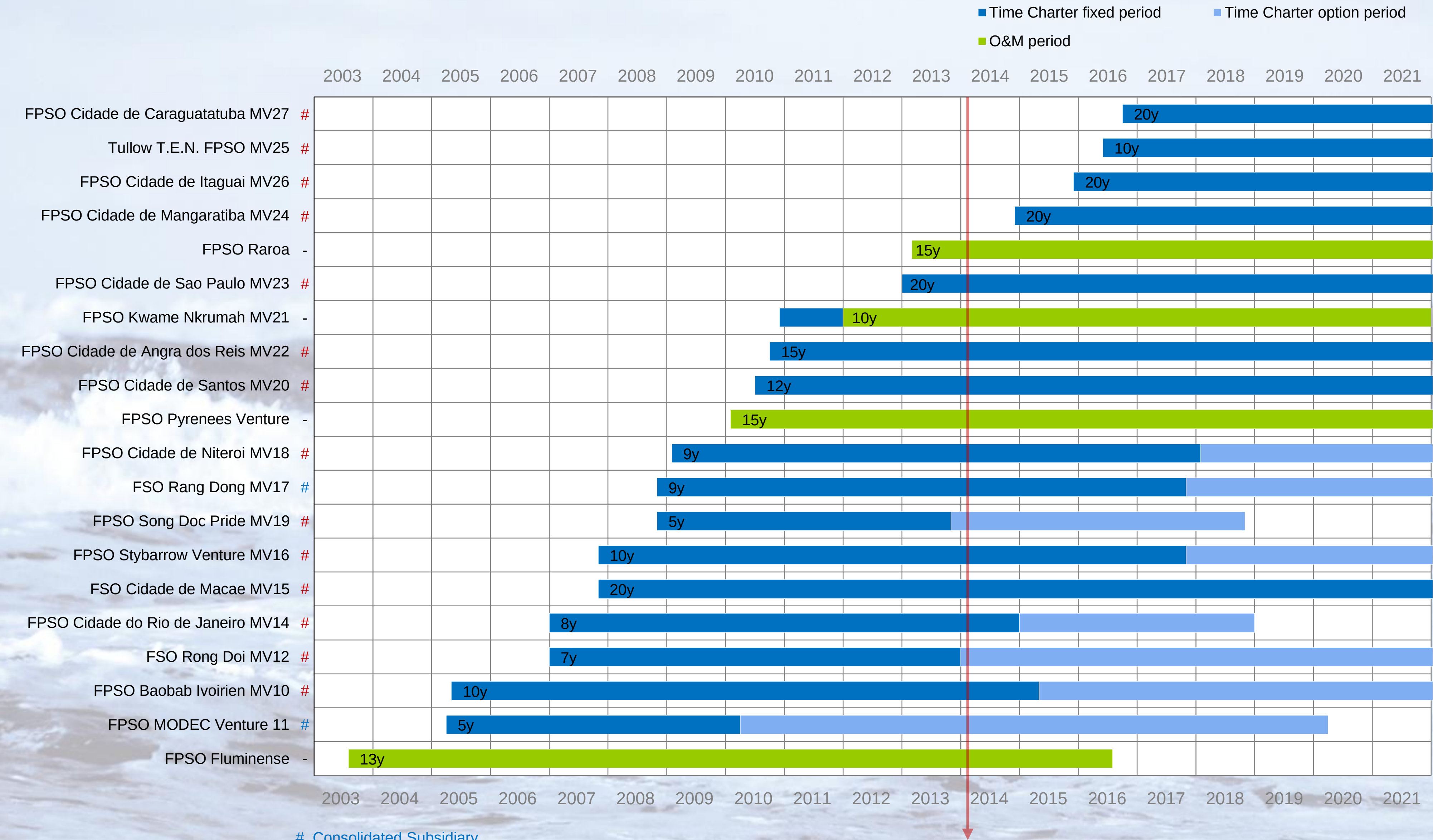
Time Charter / O&M Period (As of February 2014)



\# Consolidated Subsidiary
\# Affiliates accounted for by the Equity Method

Time Charter : 12 FPSO/FSOs
O&M : 4 FPSOs

Prospective Projects

Gulf of Mexico
- Hess Stampede TLP
- Noble Gunflint Semi-Sub

Ghana
- ENI OCTP FPSO

Angola
- Total Block 32 KAOMBO FPSO
- BP Block 31 FPSO
- Maersk Chissonga FPSO
- Cobalt Block 21 FPSO

Namibia
- Tullow Kudu FPS

South Africa
- Sunbird Ibhubeshi FPSO

China
- CNOOC South China Sea TLP

Vietnam
- CSJOC Block 10 & 11.1 FPSO

Thailand
- PTTEP Bongkot FSO 3
- PTTEP Nang Nuan FPSO

Malaysia
- Petronas FLNG No.2
- JX Layang FPSO

Indonesia
- INPEX Masela FLNG
- Santos Indonesia AAL FPSO

Israel
- Noble Leviathan gas project FPSO

Brunei
- Brunei FPSO

Australia
- Woodside Lady Nora FPSO
- Woodside Laverda FPSO/Semi-sub

Brazil
- Petrobras Tartaruga Verde e Mestica FPSO
- Petrobras ES Aguas Profund as Mod I
- Reviatalizacao de Marlim Mod I
- Petrobras Sergipe Aguas Profundas Mod I
- Petrobras Sul de Parque des Baleias FPSO
- Petrobras Maromba Mod I FPSO
- Petrobras Carcaraa FPSO
- Jupiter
- Anadarko FPSO
- Petrobras Guanambi GTL FPSO

Falkland Islands
Premier Sea Lion TLP

Financial Results & Outlook

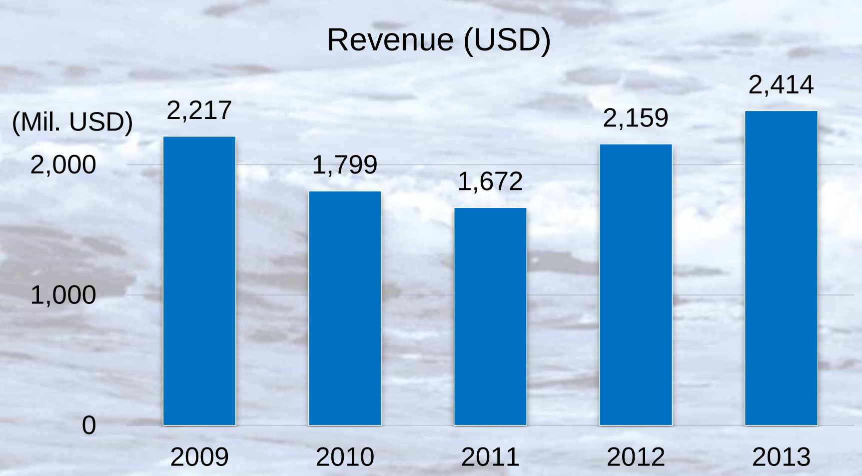
Profit & Loss

(Mil. JPY)

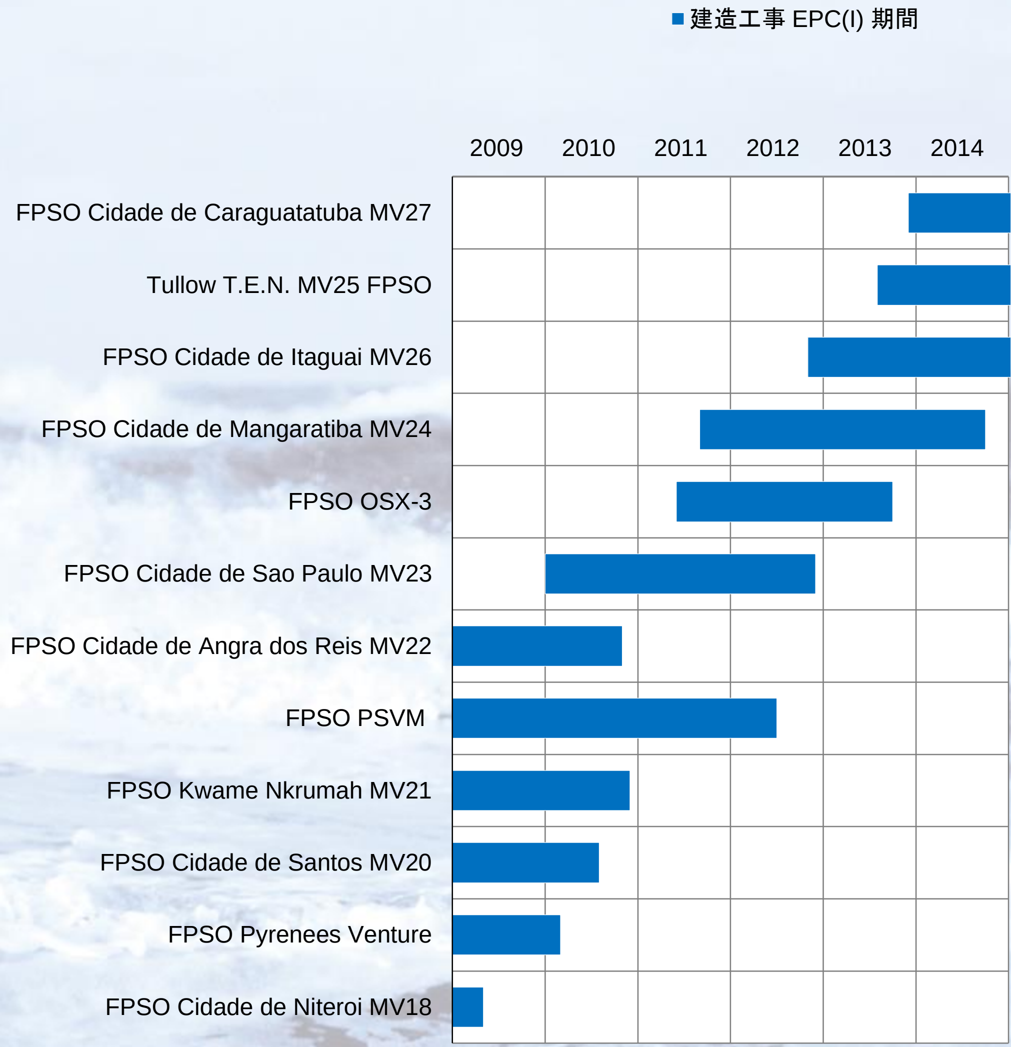
	2012	2013	Variance	
Revenue	186,891	254,401	67,510	Construction revenue increased due to higher progress in FPSO projects.
Gross Profit	**13,626**	**16,713**	**3,087**	
Gross Profit margin	7.3%	6.6%	-0.7%	
Selling, General and Administrative Expenses	10,155	13,009	2,854	Increased mainly due to Yen depreciation
Operating Profit	**3,470**	**3,704**	**234**	
Other Income (A)	6,910	12,963	6,053	
Other Expense (B)	1,084	847	(237)	
Total Other Income/Expenses (C=A-B)	5,826	12,116	6,290	
(Equity in Earnings of Affiliates and Unconsolidated Subsidiaries included in C)	2,382	5,622	3,240	Recored Equity in Earnings of Affiliates and realized the unrealized profits of MTOPS due to the start of charter service for MV23
(Exchange gain/loss and Gain/loss on revaluation of derivatives included in C)	2,203	3,849	1,646	FX gain due to evaluation of assets denominated in foreign currency.
Ordinary Profit	**9,296**	**15,820**	**6,524**	The highest level.
Extraordinary Profit	-	101	-	
Extraordinary Loss	-	4,261	-	Recorded impairment of fixed assets for Floating wind & Current Hybrid Power Generation and an allowance for accounts receivables
Income before Income Taxes and Minority Interests	**9,296**	**11,659**	**2,363**	
Net Income	**5,130**	**4,922**	**(208)**	
Exchange Rate (USD)	¥86.56	¥105.37	¥18.81	

Revenue

Revenue
(Mil. JPY)
300,000
250,000
200,000
150,000
100,000
50,000
0
204,225
146,660
129,968
186,891
254,401
2009
2010
2011
2012
2013

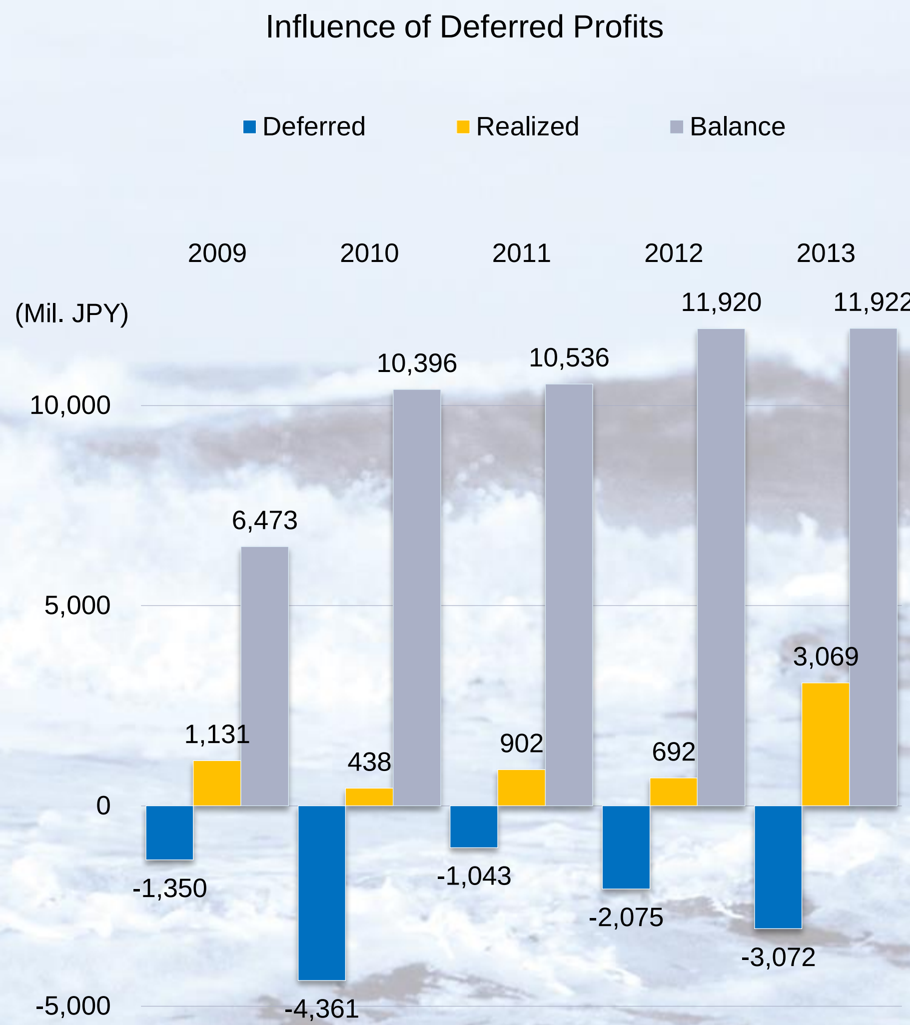


Revenue (USD)
(Mil. USD)
2,000
1,000
0
2,217
1,799
1,672
2,159
2,414
2009
2010
2011
2012
2013

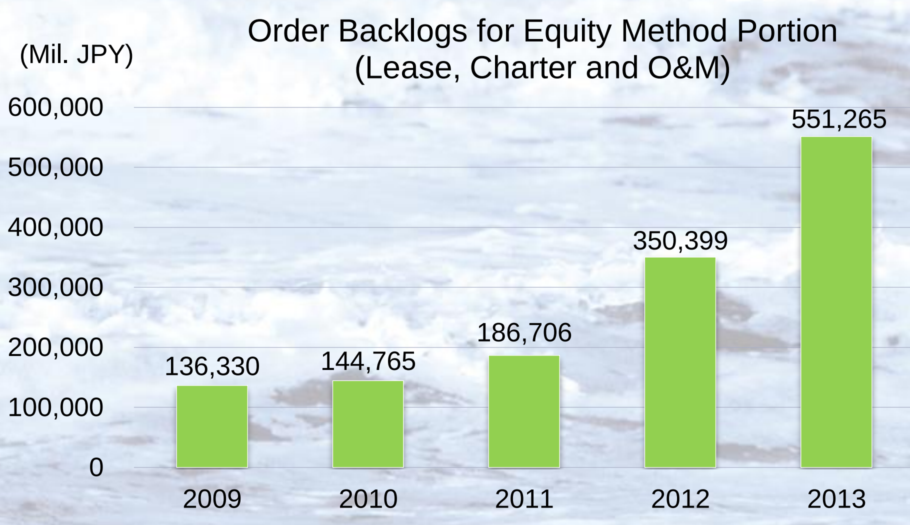


建造工事 EPC(I) 期間
2009
2010
2011
2012
2013
2014
FPSO Cidade de Caraguatatuba MV27
Tullow T.E.N. MV25 FPSO
FPSO Cidade de Itaguai MV26
FPSO Cidade de Mangaratiba MV24
FPSO OSX-3
FPSO Cidade de Sao Paulo MV23
FPSO Cidade de Angra dos Reis MV22
FPSO PSVM
FPSO Kwame Nkrumah MV21
FPSO Cidade de Santos MV20
FPSO Pyrenees Venture
FPSO Cidade de Niteroi MV18

Ordinary Profit



Orders & Order Backlogs



Balance Sheet

(Mil. JPY)

	2012	2013	Variance
Short-term Loans Receivable	3,739	-	(3,739)
Total Current Assets	102,003	120,889	18,886
Property and Equipment	12,423	17,602	5,179
Intangible Assets	6,759	7,394	635
Investments and Other Assets	32,917	69,789	36,872
Total Fixed Assets	52,101	94,745	42,644
Total Assets	**154,106**	**215,674**	**61,568**

Total Assets:

Accounts receivable temporarily increased due to the progress of awarded projects

Loan receibavle is increased due to investments and loans for the constructions to SPCs

	2012	2013	Variance
Short-term Loans Payable	3,401	10,888	7,487
Total Current Liabilities	83,239	115,050	31,811
Long-term Loans Payable	3,592	15,615	12,023
Total Long-term Liabilities	10,475	20,179	9,704
Total Liabilities	**93,715**	**135,230**	**41,515**
Total Shareholders Equity	68,039	71,628	3,589
Total Accumulated Losses from Valuation and Translation Adjustments	(13,933)	(817)	13,116
Minority Interests in Consolidated Subsidiaries	6,283	9,633	3,350
Total Net Assets	**60,389**	**80,444**	**20,055**
Total Liabilities, Net Assets	**154,104**	**215,674**	**61,570**

Total Liabilities:

Accounts payable increased due to construction progress

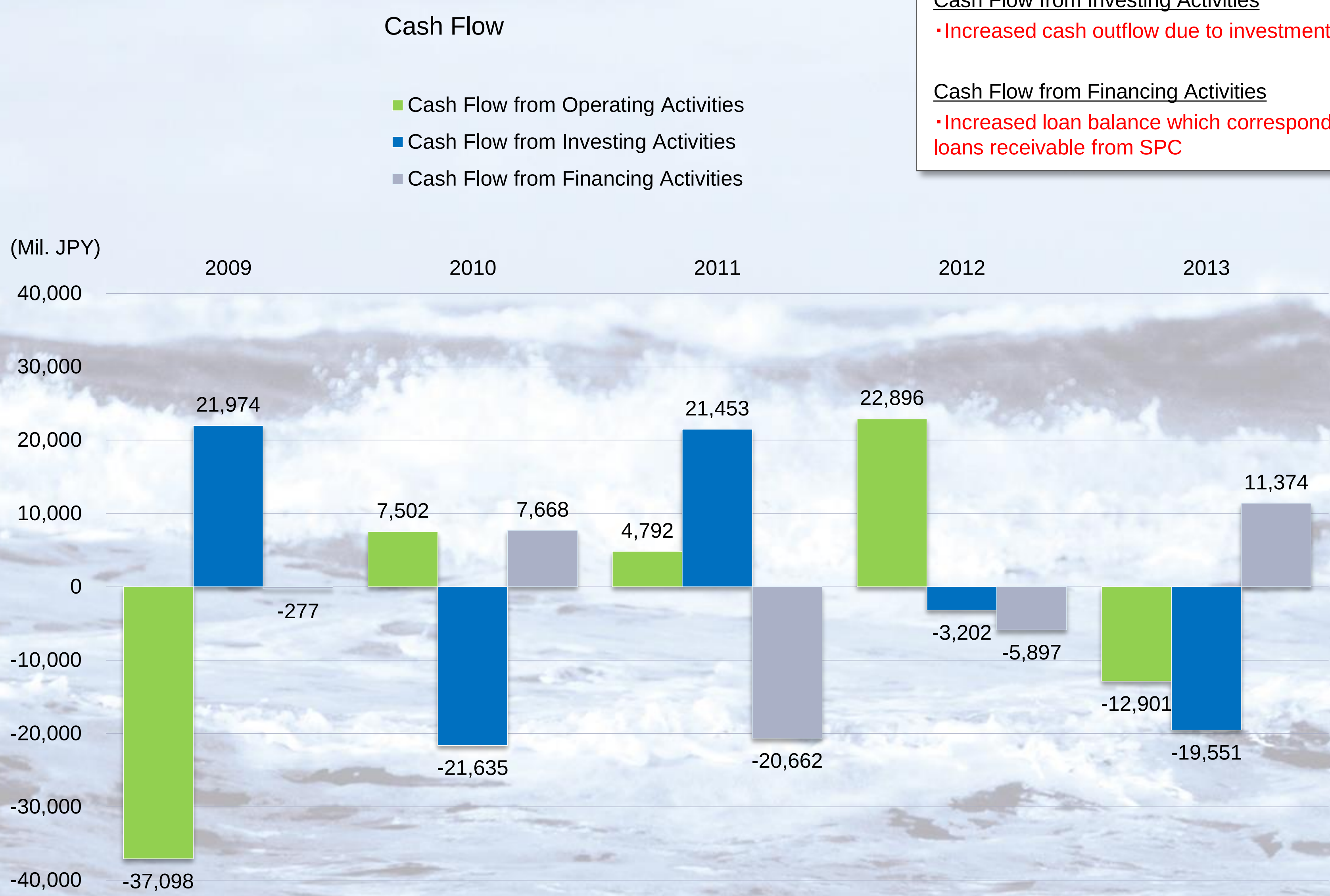
Total Net Assets:

Cash Flow

Cash Flow from Operating Activities
・Accumulated balance of accounts receivable /payable increased cash outflow.

Cash Flow from Investing Activities
・Increased cash outflow due to investment to SPC.

Cash Flow from Financing Activities
・Increased loan balance which corresponded to the loans receivable from SPC



Key Financial Figures

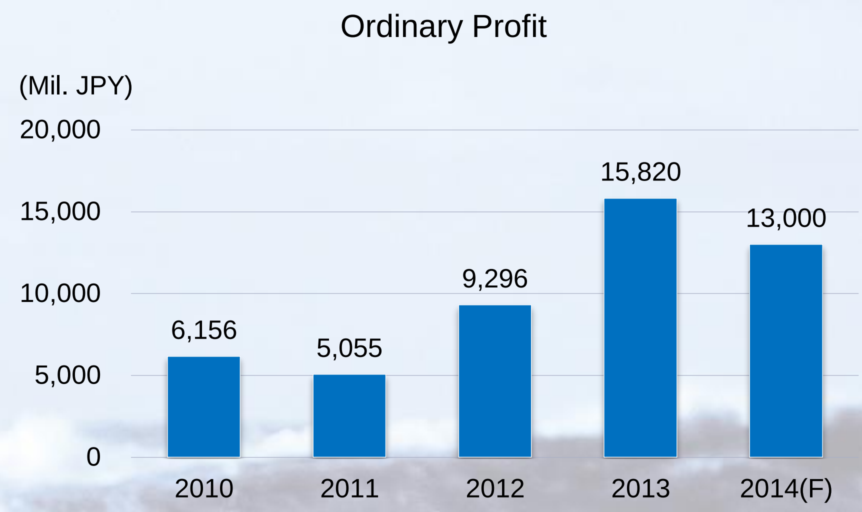
(Mil. JPY)

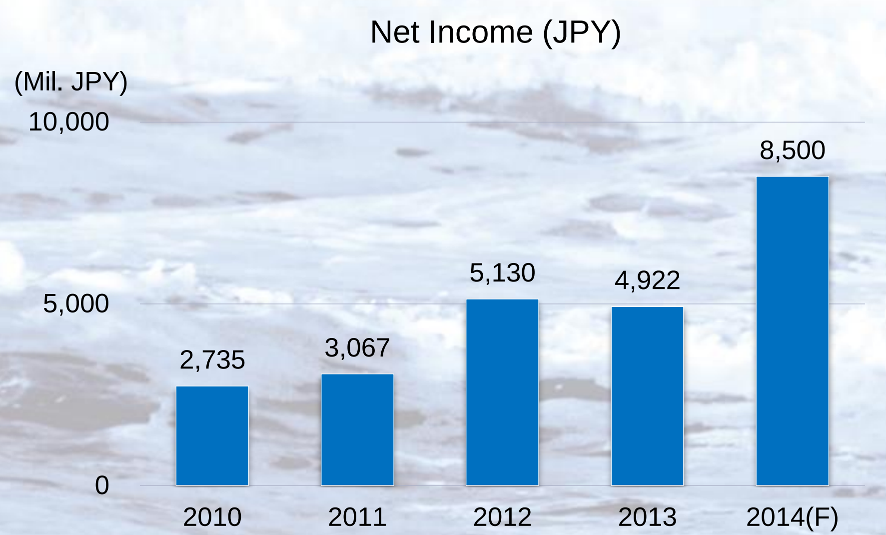
	2009	2010	2011	2012	2013
Operating profit	4,169	3,563	293	3,470	3,704
Depreciation and amortization	1,380	958	2,773	2,980	4,223
Amortization of consolidated differences	264	211	257	286	349
Collection of lease receivable (Cantarell FSO, Inc., S.A. de C.V.)	-	-	-	-	
EBITDA	**5,813**	**4,732**	**3,323**	**6,736**	**8,276**
Operating profit (equity method portion)	6,242	6,607	13,336	8,254	12,923
Depreciation and amortization (equity method portion)	5,142	5,611	6,126	6,965	7,907
Collection of lease receivable (equity method portion)	1,350	1,588	5,691	1,793	2,865
EBITDA (after adjustment)	**18,547**	**18,538**	**28,476**	**23,748**	**31,970**
Interest income	1,444	1,957	960	1,386	2,381
Interest expense	1,288	486	648	496	696
Interest expense (equity method portion)	2,978	3,324	6,203	4,994	6,442
Net Interest expense (after adjustment)	**2,822**	**1,853**	**5,891**	**4,104**	**4,757**
EBITDA Interest Coverage Ratio (x times)	**6.6**	**10.0**	**4.8**	**5.8**	**6.7**

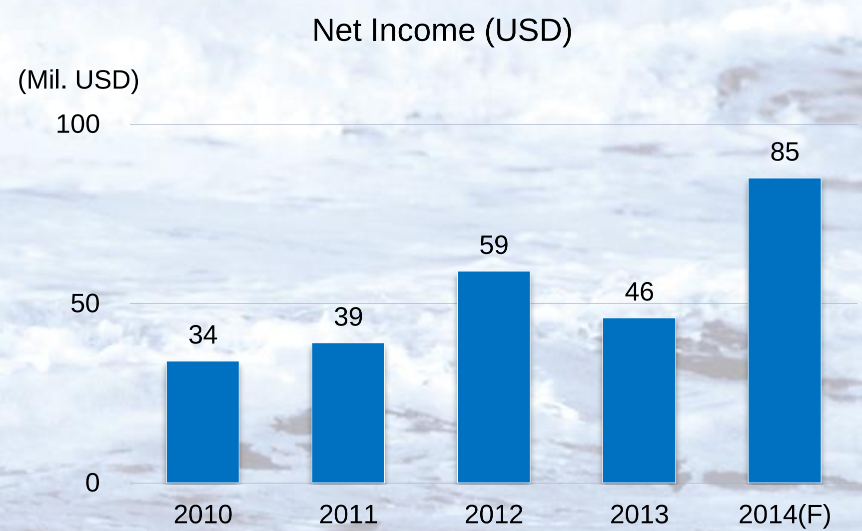
	2009	2010	2011	2012	2013
Liabilities with interest	56,800	31,377	10,713	6,995	26,504
Liabilities with interest (equity method portion)	69,061	79,677	92,171	139,113	126,087
Cash and time deposits	31,505	12,122	17,320	33,367	21,786
Cash and time deposits (equity method portion)	4,606	7,848	9,300	23,410	15,440
Net liabilities with interest (after adjustment)	**89,750**	**91,084**	**76,264**	**89,331**	**115,365**
Net liabilities with interest / EBITDA (x times)	**4.8**	**4.9**	**2.7**	**3.8**	**3.6**

	2009	2010	2011	2012	2013
ROE (%)	6.4	6.0	6.1	10.1	7.9
ROA (%)	1.6	1.7	2.3	3.7	2.7
Equity Ratio (%)	22.7	36.6	38.1	35.1	32.8

2014 Financial Forecast







Exchange Rate	81.52	77.74	86.56	105.37	100.00(F)