

MODEC, INC. and Subsidiaries

CONSOLIDATED BALANCE SHEET

March 31, 2009

ASSETS

	Millions of Japanese yen
CURRENT ASSETS:	
Cash and time deposits	¥56,795
Accounts receivable - trade	23,690
Inventories	653
Short-term loans receivable	32,151
Other current assets	4,098
Less-Allowance for bad debts	(0)
Total current assets	<u>117,389</u>
 PROPERTY AND EQUIPMENT:	
Buildings and equipment	2,890
Other	1,933
	<u>4,824</u>
 INTANGIBLE ASSETS	8,336
 OTHER ASSETS:	
Investment securities	13,244
Long-term loans receivable	16,819
Other investments	4,171
Less-Allowance for bad debts	(3)
	<u>34,232</u>
 Total assets	<u><u>¥164,782</u></u>

LIABILITIES AND SHAREHOLDERS' EQUITY

	Millions of Japanese yen
CURRENT LIABILITIES:	
Accounts payable - trade	¥40,855
Short-term loans payable	38,700
Current portion of long-term loans payable	3,333
Accrued expenses	2,258
Income taxes payable	232
Advances Received	20,372
Other current liabilities	3,607
Total current liabilities	<u>109,360</u>
LONG-TERM LIABILITIES:	
Long-term loans payable	12,829
Severance and retirement benefits	
For employees	144
Long-term accrued liability	412
Other long-term liabilities	1,843
Total long-term liabilities	<u>15,229</u>
NET ASSETS	
SHAREHOLDERS' EQUITY:	
Common stock;	
authorized - 102,868,000 shares	
outstanding - 37,408,000 shares	12,391
Capital surplus	13,121
Retained earnings	16,583
Less-Treasury stock at cost	(1)
Total shareholders' equity	<u>42,095</u>
DISCREPANCIES IN APPRAISALS and	
Net unrealized holding gains on securities	(36)
Deferred Hedge Reserves	(193)
Foreign currency translation adjustments	(3,988)
Total discrepancies in appraisals and	<u>(4,219)</u>
Conversions	(4,219)
MINORITY INTERESTS IN CONSOLIDATED	
SUBSIDIARIES:	2,317
Total net assets	40,192
Total liabilities, net assets	<u>¥164,782</u>

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CONSOLIDATED STATEMENT OF INCOME

For year ended March 31, 2009

	Millions of Japanese yen
SALES	¥41,101
COST OF SALES	39,405
Gross profit	<u>1,695</u>
SELLING, GENERAL AND ADMINISTRATIVE	1,972
Operating profit (loss)	<u>(277)</u>
OTHER INCOME (EXPENSES):	
Interest income and dividend income	400
Interest expense	(192)
Foreign exchange gain (loss), net	(367)
Equity in earnings of affiliates	544
Other, net	32
Total other income (expenses)	<u>417</u>
INCOME BEFORE INCOME TAXES AND MINORITY INTERESTS	140
INCOME TAXES:	
Current	287
Deferred	(332)
INCOME BEFORE MINORITY INTERESTS	186
MINORITY INTERESTS	103
NET INCOME	<u>¥82</u>
Net income per share	¥2.20