

MODEC, INC. and Consolidated Subsidiaries

CONSOLIDATED BALANCE SHEET

March 31, 2010

ASSETS

	Millions of Japanese yen
CURRENT ASSETS:	
Cash and time deposits	¥27,699
Accounts receivable - trade	55,709
Inventories	1,741
Short-term loans receivable	24,433
Other current assets	6,611
Less-Allowance for bad debts	(105)
Total current assets	<u>116,090</u>
PROPERTY AND EQUIPMENT:	
Vessels and equipment	853
Other	579
	<u>1,432</u>
INTANGIBLE ASSETS	7,168
OTHER ASSETS:	
Investment securities	15,434
Long-term loans receivable	15,645
Other investments	2,748
Less-Allowance for bad debts	(4)
	<u>33,823</u>
Total assets	<u><u>¥158,515</u></u>

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

LIABILITIES AND SHAREHOLDERS' EQUITY

	Millions of Japanese yen
CURRENT LIABILITIES:	
Accounts payable - trade	¥60,245
Short-term loans payable	19,891
Current portion of long-term loans payable	11,358
Accrued expenses	2,584
Income taxes payable	1,443
Advances Received	1,148
Provision for construction warranties	2,371
Other current liabilities	1,490
Total current liabilities	100,535
LONG-TERM LIABILITIES:	
Long-term loans payable	10,777
Severance and retirement benefits	
For employees	153
Long-term accounts payable	328
Other long-term liabilities	4,271
Total long-term liabilities	15,530
NET ASSETS	
SHAREHOLDERS' EQUITY:	
Common stock;	
authorized - 102,868,000 shares	
outstanding - 37,408,000 shares	12,391
Capital surplus	13,121
Retained earnings	20,209
Less-Treasury stock at cost	(1)
Total shareholders' equity	45,721
ACCUMULATED GAINS (LOSSES) FROM VALUATION AND TRANSLATION ADJUSTMENTS	
Net unrealized holding gains (losses) on securities	(1)
Unrealized losses on hedging derivative, net of tax	(522)
Foreign currency translation adjustments	(4,917)
Total accumulated gains (losses) from valuation and translation adjustments	(5,441)
MINORITY INTERESTS IN CONSOLIDATED SUBSIDIARIES:	
Total net assets	2,169
Total liabilities, net assets	42,449
	¥158,515

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

MODEC, INC. and Consolidated Subsidiaries

CONSOLIDATED STATEMENT OF INCOME

For year ended March 31, 2010

	Millions of Japanese yen
SALES	¥41,158
COST OF SALES	37,413
Gross profit	<u>3,744</u>
SELLING, GENERAL AND ADMINISTRATIVE EXPENSES	<u>2,000</u>
Operating profit (loss)	1,744
OTHER INCOME (EXPENSES):	
Interest income and dividend income	309
Interest expense	(142)
Equity in earnings of affiliates	505
Loss on valuation of derivatives	(132)
Foreign exchange gain (loss), net	5
Gain on disposal of fixed asset	133
Other, net	27
Total other income (expenses)	<u>705</u>
INCOME BEFORE INCOME TAXES AND MINORITY INTERESTS	2,449
INCOME TAXES:	
Current	956
Prior	166
Deferred	<u>(321)</u>
INCOME BEFORE MINORITY INTERESTS	1,648
MINORITY INTERESTS	281
NET INCOME	<u><u>¥1,366</u></u>

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

Net income per share ¥36.52