

MODEC, INC. and Consolidated Subsidiaries

**CONSOLIDATED BALANCE SHEET**

June 30, 2011

**ASSETS**

	Millions of Japanese yen
<b>CURRENT ASSETS:</b>	
Cash and time deposits	¥13,939
Accounts receivable - trade	44,000
Inventories	7,461
Short-term loans receivable	16,631
Other current assets	8,050
Less-Allowance for bad debts	(1)
Total current assets	<u>90,081</u>
<b>PROPERTY AND EQUIPMENT:</b>	
Vessels and equipment	12,882
Other	529
Total property and equipment	<u>13,411</u>
<b>INTANGIBLE ASSETS:</b>	6,729
<b>INVESTMENTS AND OTHER ASSETS:</b>	
Investment securities	12,166
Long-term loans receivable	10,040
Other investments	3,212
Less-Allowance for bad debts	(2)
Total investments and other assets	<u>25,417</u>
 Total assets	 <u><u>¥135,639</u></u>

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

## LIABILITIES AND NET ASSETS

	<u>Millions of Japanese yen</u>
<b>CURRENT LIABILITIES:</b>	
Accounts payable - trade	¥40,413
Short-term loans payable	15,017
Current portion of long-term loans payable	1,599
Accrued expenses	3,511
Income taxes payable	2,147
Advances Received	1,670
Provision for product warranties	2,263
Other current liabilities	1,299
Total current liabilities	<u>67,923</u>
<b>LONG-TERM LIABILITIES:</b>	
Long-term loans payable	8,157
Severance and retirement benefits for employees	167
Long-term accounts payable	44
Other long-term liabilities	3,043
Total long-term liabilities	<u>11,413</u>
<b>NET ASSETS</b>	
<b>SHAREHOLDERS' EQUITY:</b>	
Common stock;	
authorized - 102,868,000 shares	
outstanding - 46,408,000 shares	20,185
Capital surplus	20,915
Retained earnings	23,163
Less-Treasury stock at cost	(1)
Total shareholders' equity	<u>64,263</u>
<b>ACCUMULATED GAINS (LOSSES) FROM VALUATION AND TRANSLATION ADJUSTMENTS:</b>	
Net unrealized holding gains (losses) on securities	(14)
Unrealized losses on hedging derivative, net of tax	(3,830)
Foreign currency translation adjustments	(8,813)
Total accumulated gains (losses) from valuation and translation adjustments	<u>(12,657)</u>
<b>MINORITY INTERESTS IN CONSOLIDATED SUBSIDIARIES:</b>	4,697
Total net assets	56,303
Total liabilities and net assets	<u><u>¥135,639</u></u>

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

MODEC, INC. and Consolidated Subsidiaries

**CONSOLIDATED STATEMENT OF INCOME**

For year ended June 30, 2011

	Millions of Japanese yen
SALES	¥57,370
COST OF SALES	55,448
Gross profit (loss)	<u>1,921</u>
SELLING, GENERAL AND ADMINISTRATIVE EXPENSES	3,805
Operating profit (loss)	<u>(1,883)</u>
OTHER INCOME (EXPENSES):	
Interest income and dividend income	684
Interest expense	(349)
Equity in earnings of affiliates and unconsolidated subsidiaries	4,835
Loss on valuation of derivatives	(428)
Foreign exchange gain (loss), net	(254)
Gain on sales of subsidiaries and affiliates' stock	65
Other, net	92
Total other income (expenses)	<u>4,645</u>
INCOME BEFORE INCOME TAXES AND MINORITY INTERESTS:	2,761
INCOME TAXES:	
Current	(17)
Prior	85
Deferred	240
INCOME BEFORE MINORITY INTERESTS	<u>2,453</u>
MINORITY INTERESTS	(169)
NET INCOME	<u><u>¥2,623</u></u>

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

Net income per share	¥56.54
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