

MODEC, INC. and Consolidated Subsidiaries

**CONSOLIDATED BALANCE SHEET**

September 30, 2011

**ASSETS**

	Millions of Japanese yen
<b>CURRENT ASSETS:</b>	
Cash and time deposits	¥11,002
Accounts receivable - trade	35,882
Inventories	6,486
Short-term loans receivable	23,023
Other current assets	8,212
Less-Allowance for bad debts	(2)
Total current assets	<u>84,604</u>
 <b>PROPERTY AND EQUIPMENT:</b>	
Vessels and equipment	11,759
Other	502
Total property and equipment	<u>12,261</u>
 <b>INTANGIBLE ASSETS:</b>	6,448
 <b>INVESTMENTS AND OTHER ASSETS:</b>	
Investment securities	11,994
Long-term loans receivable	8,569
Other investments	3,455
Less-Allowance for bad debts	(2)
Total investments and other assets	<u>24,017</u>
 Total assets	<u><u>¥127,331</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	¥33,602
Short-term loans payable	14,733
Current portion of long-term loans payable	1,545
Accrued expenses	2,964
Income taxes payable	1,007
Advances Received	7,703
Provision for product warranties	2,074
Other current liabilities	1,506
Total current liabilities	65,137
<b>LONG-TERM LIABILITIES:</b>	
Long-term loans payable	7,465
Severance and retirement benefits for employees	161
Other long-term liabilities	3,735
Total long-term liabilities	11,362
<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	22,357
Less-Treasury stock at cost	(1)
Total shareholders' equity	63,456
<b>ACCUMULATED GAINS (LOSSES) FROM VALUATION AND TRANSLATION ADJUSTMENTS:</b>	
Net unrealized holding gains (losses) on securities	(6)
Unrealized losses on hedging derivative, net of tax	(6,698)
Foreign currency translation adjustments	(10,587)
Total accumulated gains (losses) from valuation and translation adjustments	(17,292)
<b>MINORITY INTERESTS IN CONSOLIDATED SUBSIDIARIES:</b>	
	4,666
Total net assets	50,831
Total liabilities and net assets	¥127,331

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

MODEC, INC. and Consolidated Subsidiaries

**CONSOLIDATED STATEMENT OF INCOME**

For year ended September 30, 2011

	Millions of Japanese yen
SALES	¥78,578
COST OF SALES	76,015
Gross profit (loss)	<u>2,563</u>
SELLING, GENERAL AND ADMINISTRATIVE EXPENSES	5,587
Operating profit (loss)	<u>(3,023)</u>
OTHER INCOME (EXPENSES):	
Interest income and dividend income	1,068
Interest expense	(485)
Equity in earnings of affiliates and unconsolidated subsidiaries	6,121
Loss on valuation of derivatives	(342)
Foreign exchange gain (loss), net	(1,302)
Gain on sales of subsidiaries and affiliates' stock	65
Other, net	131
Total other income (expenses)	<u>5,256</u>
INCOME BEFORE INCOME TAXES AND MINORITY INTERESTS:	2,233
INCOME TAXES:	
Current	597
Prior	41
Deferred	(895)
INCOME BEFORE MINORITY INTERESTS	2,490
MINORITY INTERESTS	93
NET INCOME	<u>¥2,397</u>

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

Net income per share	¥51.65
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