

MODEC, INC. and Consolidated Subsidiaries

CONSOLIDATED BALANCE SHEET

March 31, 2012

ASSETS

	Millions of Japanese yen
CURRENT ASSETS:	
Cash and time deposits	¥21,747
Accounts receivable - trade	56,663
Inventories	2,663
Short-term loans receivable	4,778
Other current assets	8,602
Less-Allowance for bad debts	(316)
Total current assets	<u>94,139</u>
PROPERTY AND EQUIPMENT:	
Vessels and equipment	11,650
Other	637
Total property and equipment	<u>12,288</u>
INTANGIBLE ASSETS:	6,594
INVESTMENTS AND OTHER ASSETS:	
Investment securities	12,500
Long-term loans receivable	9,412
Other investments	4,056
Total investments and other assets	<u>25,969</u>
 Total assets	 <u><u>¥138,991</u></u>

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

LIABILITIES AND NET ASSETS

	Millions of Japanese yen
CURRENT LIABILITIES:	
Accounts payable - trade	¥53,578
Short-term loans payable	4,281
Current portion of long-term loans payable	3,934
Accrued expenses	4,817
Income taxes payable	2,902
Advances Received	2,074
Provision for product warranties	2,042
Other current liabilities	1,077
Total current liabilities	<u>74,709</u>
LONG-TERM LIABILITIES:	
Long-term loans payable	4,750
Severance and retirement benefits for employees	162
Other long-term liabilities	3,949
Total long-term liabilities	<u>8,862</u>
 Total liabilities	 83,572
NET ASSETS	
SHAREHOLDERS' EQUITY:	
Common stock;	
authorized - 102,868,000 shares	
outstanding - 46,408,000 shares	20,185
Capital surplus	20,915
Retained earnings	23,294
Less-Treasury stock at cost	(1)
Total shareholders' equity	<u>64,394</u>
 ACCUMULATED GAINS (LOSSES) FROM VALUATION AND TRANSLATION ADJUSTMENTS:	
Unrealized losses on available-for-sales securities, net of taxes	(3)
Unrealized losses on hedging derivative, net of tax	(6,034)
Foreign currency translation adjustments	(8,275)
Total accumulated gains (losses) from valuation and translation adjustments	<u>(14,312)</u>
 MINORITY INTERESTS IN CONSOLIDATED SUBSIDIARIES:	 5,338
 Total net assets	 <u>55,419</u>
Total liabilities and net assets	<u><u>¥138,991</u></u>

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

MODEC, INC. and Consolidated Subsidiaries

CONSOLIDATED STATEMENT OF INCOME

For Quarter ended March 31, 2012

	Millions of Japanese yen
SALES	¥42,059
COST OF SALES	40,008
Gross profit (loss)	<u>2,050</u>
SELLING, GENERAL AND ADMINISTRATIVE EXPENSES	2,086
Operating profit (loss)	<u>(36)</u>
OTHER INCOME (EXPENSES):	
Interest income and dividend income	397
Interest expense	(121)
Equity in earnings of affiliates and unconsolidated subsidiaries	505
Loss on valuation of derivatives	(129)
Foreign exchange gain (loss), net	995
Other, net	38
Total other income (expenses)	<u>1,687</u>
INCOME BEFORE INCOME TAXES AND MINORITY INTERESTS:	1,651
INCOME TAXES:	
Current	750
Prior	17
Deferred	(96)
INCOME BEFORE MINORITY INTERESTS	980
MINORITY INTERESTS	133
NET INCOME	<u>¥846</u>
<i>* The figures are rounded down to the nearest million yen.</i>	
Net income per share	¥18.25

MODEC, INC. and Consolidated Subsidiaries

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

For Quarter ended March 31, 2012

	Millions of Japanese yen
Income before minority interests	<u>¥980</u>
Other comprehensive income	
Unrealized losses on available-for-sales securities, net of taxes	8
Unrealized losses hedging derivatives, net of tax	128
Foreign currency transaction adjustments	1,428
Share of other comprehensive income of associates accounted for using equity method	<u>1,224</u>
Total	<u>2,788</u>
Comprehensive income	<u><u>¥3,769</u></u>
Comprehensive income attributable to owners of the parent	¥3,306
Comprehensive income attributable to owners of minority interests	¥462