

MODEC, INC. and Consolidated Subsidiaries

**CONSOLIDATED BALANCE SHEET**

March 31, 2013

**ASSETS**

	<u>Millions of Japanese yen</u>
<b>CURRENT ASSETS:</b>	
Cash and time deposits	¥33,977
Accounts receivable - trade	54,087
Inventories	5,536
Short-term loans receivable	32,748
Other current assets	9,289
Less-Allowance for bad debts	(450)
Total current assets	<u>135,189</u>
<b>PROPERTY AND EQUIPMENT:</b>	
Vessels and equipment	11,136
Other	4,859
Total property and equipment	<u>15,995</u>
<b>INTANGIBLE ASSETS:</b>	7,224
<b>INVESTMENTS AND OTHER ASSETS:</b>	
Investment securities	21,261
Long-term loans receivable	17,856
Other investments	4,318
Total investments and other assets	<u>43,436</u>
 Total assets	 <u><u>¥201,845</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	¥61,916
Short-term loans payable	27,259
Current portion of long-term loans payable	1,728
Accrued expenses	4,814
Income taxes payable	3,208
Advances Received	12,042
Provision for product warranties	2,602
Other current liabilities	2,104
Total current liabilities	<u>115,677</u>
<b>LONG-TERM LIABILITIES:</b>	
Long-term loans payable	13,843
Severance and retirement benefits for employees	167
Other long-term liabilities	2,735
Total long-term liabilities	<u>16,745</u>
<b>Total liabilities</b>	<b>132,423</b>
<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	30,478
Less-Treasury stock at cost	(1)
Total shareholders' equity	<u>71,577</u>
<b>ACCUMULATED GAINS (LOSSES) FROM VALUATION AND TRANSLATION ADJUSTMENTS:</b>	
Unrealized gains/(losses) on available-for-sales securities, net of taxes	(3)
Unrealized gains/(losses) on hedging derivative, net of tax	(7,701)
Foreign currency translation adjustments	(1,765)
Retirement liability adjustments for foreign consolidated subsidiaries	(104)
Total accumulated gains (losses) from valuation and translation adjustments	<u>(9,574)</u>
<b>MINORITY INTERESTS IN CONSOLIDATED SUBSIDIARIES:</b>	7,419
<b>Total net assets</b>	<u>69,422</u>
<b>Total liabilities and net assets</b>	<u><u>¥201,845</u></u>

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

MODEC, INC. and Consolidated Subsidiaries

**CONSOLIDATED STATEMENT OF INCOME**

For the three months ended March 31, 2013

	Millions of Japanese yen
SALES	¥56,256
COST OF SALES	50,342
Gross profit (loss)	5,913
SELLING, GENERAL AND ADMINISTRATIVE EXPENSES	2,991
Operating profit (loss)	2,922
OTHER INCOME (EXPENSES):	
Interest income and dividend income	549
Interest expense	(192)
Equity in earnings of affiliates and unconsolidated subsidiaries	1,749
Foreign exchange gain (loss), net	2,197
Other, net	1
Total other income (expenses)	4,305
INCOME BEFORE INCOME TAXES AND MINORITY INTERESTS:	7,227
INCOME TAXES:	
Current	1,175
Deferred	1,363
INCOME BEFORE MINORITY INTERESTS	4,689
MINORITY INTERESTS	513
NET INCOME	¥4,175
Net income per share	¥89.98

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

MODEC, INC. and Consolidated Subsidiaries

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

For the three months ended March 31, 2013

	Millions of Japanese yen
Income before minority interests	<u>¥4,689</u>
Other comprehensive income	
Unrealized gains/(losses) on available-for-sales securities, net of taxes	11
Unrealized gains/(losses) hedging derivatives, net of tax	(69)
Foreign currency transaction adjustments	2,585
Share of other comprehensive income of associates accounted for using equity method	2,422
Retirement liability adjustments for foreign consolidated subsidiaries	<u>32</u>
Total	<u>4,981</u>
Comprehensive income	<u><u>¥9,671</u></u>
Comprehensive income attributable to owners of the parent	¥8,534
Comprehensive income attributable to owners of minority interests	¥1,136

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