

MODEC, INC. and Consolidated Subsidiaries

**CONSOLIDATED BALANCE SHEET**

June 30, 2013

**ASSETS**

	<u>Millions of Japanese yen</u>
<b>CURRENT ASSETS:</b>	
Cash and time deposits	¥42,707
Accounts receivable - trade	50,077
Inventories	5,968
Short-term loans receivable	3,076
Other current assets	11,085
Less-Allowance for bad debts	(470)
Total current assets	<u>112,445</u>
<b>PROPERTY AND EQUIPMENT:</b>	
Vessels and equipment	16,578
Other	841
Total property and equipment	<u>17,420</u>
<b>INTANGIBLE ASSETS:</b>	7,438
<b>INVESTMENTS AND OTHER ASSETS:</b>	
Investment securities	21,315
Long-term loans receivable	24,334
Other investments	3,832
Total investments and other assets	<u>49,482</u>
 Total assets	 <u><u>¥186,786</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	¥62,163
Current portion of long-term loans payable	1,245
Accrued expenses	6,888
Income taxes payable	2,971
Advances Received	13,809
Provision for product warranties	2,866
Other current liabilities	1,892
Total current liabilities	91,837
<b>LONG-TERM LIABILITIES:</b>	
Long-term loans payable	15,273
Severance and retirement benefits for employees	169
Other long-term liabilities	3,354
Total long-term liabilities	18,797
Total liabilities	110,635
<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	32,057
Less-Treasury stock at cost	(1)
Total shareholders' equity	73,156
<b>ACCUMULATED GAINS (LOSSES) FROM VALUATION AND TRANSLATION ADJUSTMENTS:</b>	
Unrealized gains/(losses) on available-for-sale securities, net of taxes	(8)
Unrealized gains/(losses) on hedging derivative, net of tax	(5,692)
Foreign currency translation adjustments	615
Retirement liability adjustments for foreign consolidated subsidiaries	(106)
Total accumulated gains (losses) from valuation and translation adjustments	(5,191)
<b>MINORITY INTERESTS IN CONSOLIDATED SUBSIDIARIES:</b>	8,186
Total net assets	76,151
Total liabilities and net assets	¥186,786

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

MODEC, INC. and Consolidated Subsidiaries

**CONSOLIDATED STATEMENT OF INCOME**

For the six months ended June 30, 2013

	Millions of Japanese yen
SALES	<u>¥107,268</u>
COST OF SALES	<u>97,877</u>
Gross profit (loss)	9,391
SELLING, GENERAL AND ADMINISTRATIVE EXPENSES	<u>6,739</u>
Operating profit (loss)	2,651
OTHER INCOME (EXPENSES):	
Interest income and dividend income	1,207
Interest expense	(373)
Equity in earnings of affiliates and unconsolidated subsidiaries	2,734
Foreign exchange gain (loss), net	2,986
Other, net	<u>678</u>
Total other income (expenses)	7,233
INCOME BEFORE INCOME TAXES AND MINORITY INTERESTS:	9,884
INCOME TAXES:	
Current	1,966
Prior	(1,022)
Deferred	<u>2,304</u>
INCOME BEFORE MINORITY INTERESTS	6,636
MINORITY INTERESTS	881
NET INCOME	<u><u>¥5,755</u></u>

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

Net income per share ¥124.01

MODEC, INC. and Consolidated Subsidiaries

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

For the six months ended June 30, 2013

	Millions of Japanese yen
Income before minority interests	<u>¥6,636</u>
Other comprehensive income	
Unrealized gains/(losses) on available-for-sale securities, net of tax	6
Unrealized gains/(losses) hedging derivatives, net of tax	(43)
Foreign currency transaction adjustments	3,859
Share of other comprehensive income of associates accounted for using equity method	5,913
Retirement liability adjustments for foreign consolidated subsidiaries	<u>30</u>
Total	<u>9,766</u>
Comprehensive income	<u><u>¥16,402</u></u>
Comprehensive income attributable to owners of the parent	¥14,496
Comprehensive income attributable to owners of minority interests	¥1,905

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