

MODEC, INC. and Consolidated Subsidiaries

CONSOLIDATED BALANCE SHEET

September 30, 2018

ASSETS

	<u>Millions of Japanese yen</u>
CURRENT ASSETS:	
Cash and time deposits	¥38,957
Accounts receivable-trade	99,370
Inventories	801
Short-term loans receivable	34,888
Other current assets	22,289
Less allowance for bad debts	<u>(1,314)</u>
Total current assets	194,992
PROPERTY AND EQUIPMENT:	
Machinery and equipment	1,034
Other property and equipment	<u>1,607</u>
Total property and equipment	2,642
INTANGIBLE ASSETS:	9,198
INVESTMENTS AND OTHER ASSETS:	
Investment securities	74,650
Long-term loans receivable from affiliates	39,901
Other investments	<u>9,377</u>
Total investments and other assets	123,929
Total assets	<u><u>¥330,763</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	¥92,801
Current portion of long-term loans payable	6,204
Accrued expenses	11,114
Income taxes payable	6,482
Advances received	11,281
Accrued employees' bonuses	135
Accrued directors' bonuses	12
Provision for product warranty	5,692
Provision for repairs	14
Other provisions	5
Other current liabilities	1,568
Total current liabilities	<u>135,313</u>
LONG-TERM LIABILITIES:	
Long-term loans payable	25,943
Net defined benefit liabilities	351
Other long-term liabilities	6,961
Total long-term liabilities	<u>33,256</u>
Total liabilities	168,570
NET ASSETS:	
SHAREHOLDERS' EQUITY:	
Common stock;	
Authorized - 102,868,000 shares	
Issued - 56,408,000 shares	30,122
Capital surplus	30,851
Retained earnings	84,355
Treasury stock, at cost	(99)
Total shareholders' equity	<u>145,230</u>
ACCUMULATED OTHER COMPREHENSIVE INCOME:	
Unrealized gains (losses) on hedging derivatives, net of tax	(3,912)
Foreign currency translation adjustments	8,953
Retirement liability adjustments for foreign consolidated subsidiaries	(332)
Total accumulated other comprehensive income	<u>4,708</u>
NON-CONTROLLING INTERESTS	12,253
Total net assets	<u>162,193</u>
Total liabilities and net assets	<u><u>¥330,763</u></u>

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

MODEC, INC. and Consolidated Subsidiaries

CONSOLIDATED STATEMENT OF INCOME

For the nine months ended September 30, 2018

	Millions of Japanese yen
SALES	¥166,802
COST OF SALES	145,895
Gross profit (loss)	20,906
SELLING, GENERAL AND ADMINISTRATIVE EXPENSES	9,007
Operating profit (loss)	11,899
OTHER INCOME (EXPENSES):	
Interest and dividend income	4,538
Equity in earnings of unconsolidated subsidiaries and affiliates, net	4,088
Interest expense	(698)
Foreign exchange gain (loss), net	(992)
Others, net	(197)
Total other income (expenses)	6,739
PROFIT (LOSS) BEFORE INCOME TAXES	18,638
INCOME TAXES:	
Current	4,305
Prior	13
Deferred	1,189
PROFIT (LOSS)	13,130
PROFIT (LOSS) ATTRIBUTABLE TO NON-CONTROLLING INTERESTS	379
PROFIT (LOSS) ATTRIBUTABLE TO OWNERS OF PARENT	¥12,750

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

Earnings (loss) per share ¥226.11

MODEC, INC. and Consolidated Subsidiaries

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the nine months ended September 30, 2018

	Millions of Japanese yen
PROFIT	<u>¥13,130</u>
OTHER COMPREHENSIVE INCOME:	
Unrealized holding gains (losses) on securities, net of tax	17
Unrealized gains (losses) on hedging derivatives, net of tax	(342)
Foreign currency translation adjustments	(1,802)
Retirement liability adjustments for foreign consolidated subsidiaries	(19)
Share of other comprehensive income (loss) of unconsolidated subsidiaries and affiliates accounted for using equity method	<u>5,832</u>
Total other comprehensive income (loss)	<u>3,685</u>
COMPREHENSIVE INCOME	<u><u>¥16,815</u></u>
Comprehensive income attributable to owners of parent	¥16,427
Comprehensive income attributable to non-controlling interests	¥388

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



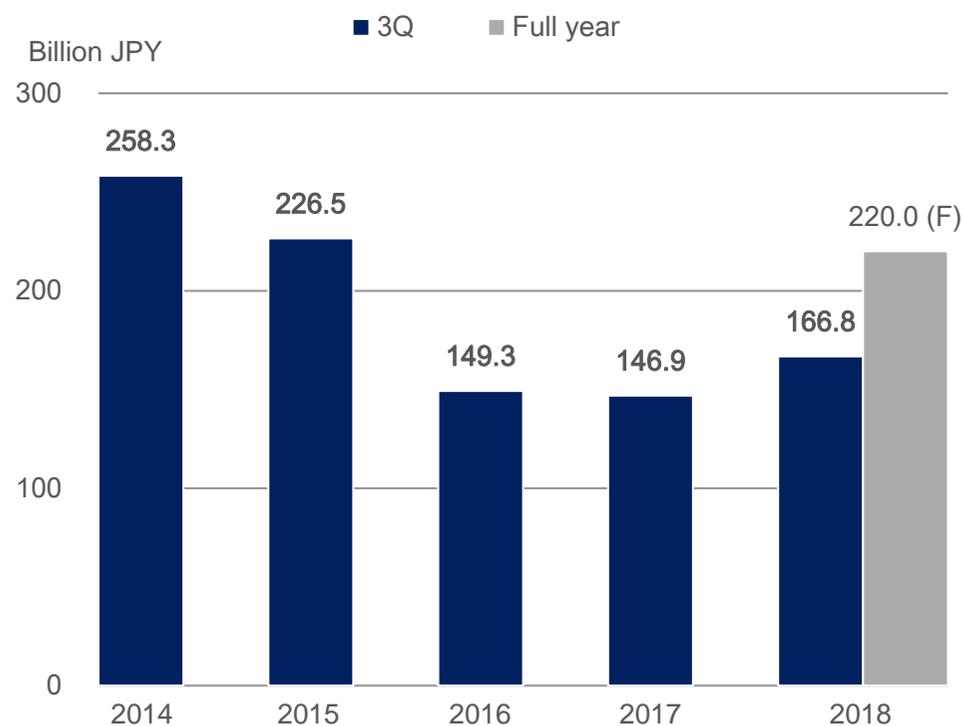
MODEC, Inc.
2018 3Q Financial Results
Supplementary Presentation

November 6, 2018

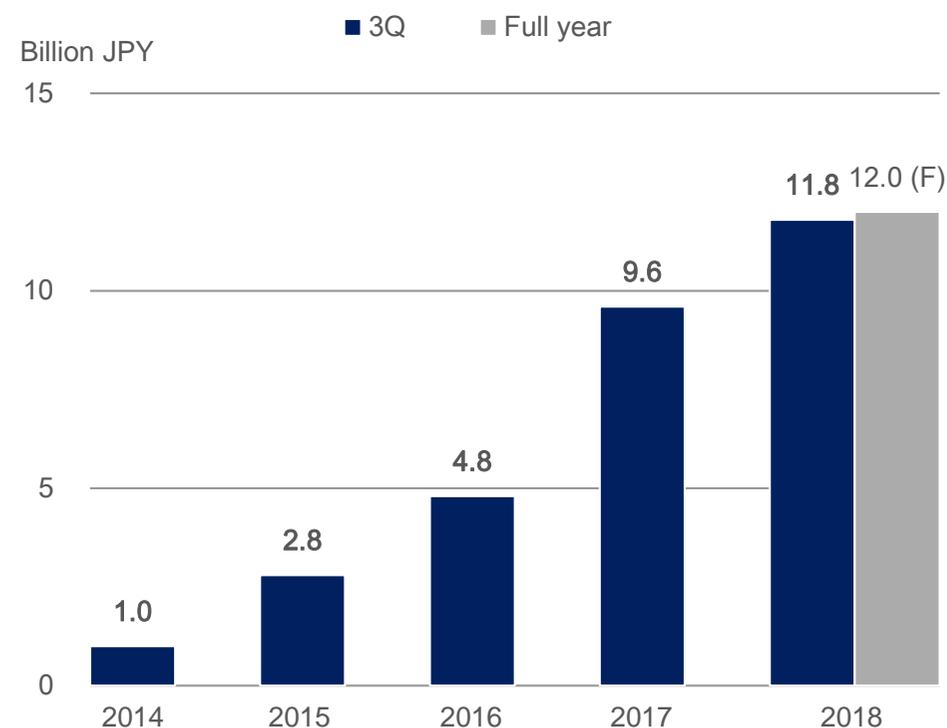


2018 Third Quarter : Highlight

Revenue



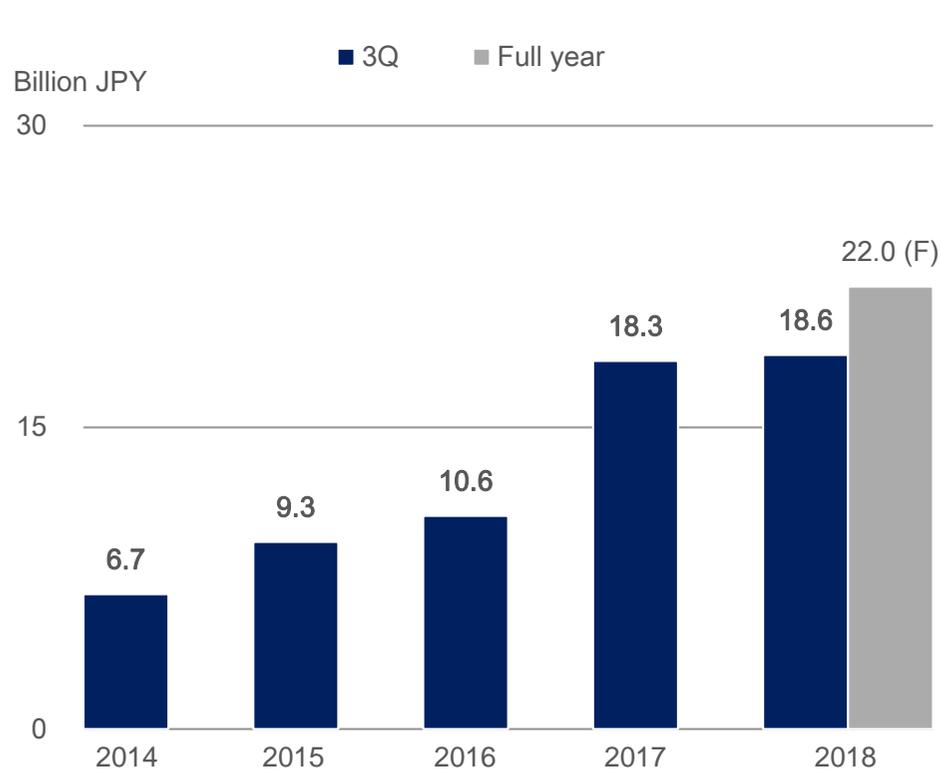
Operating Profit



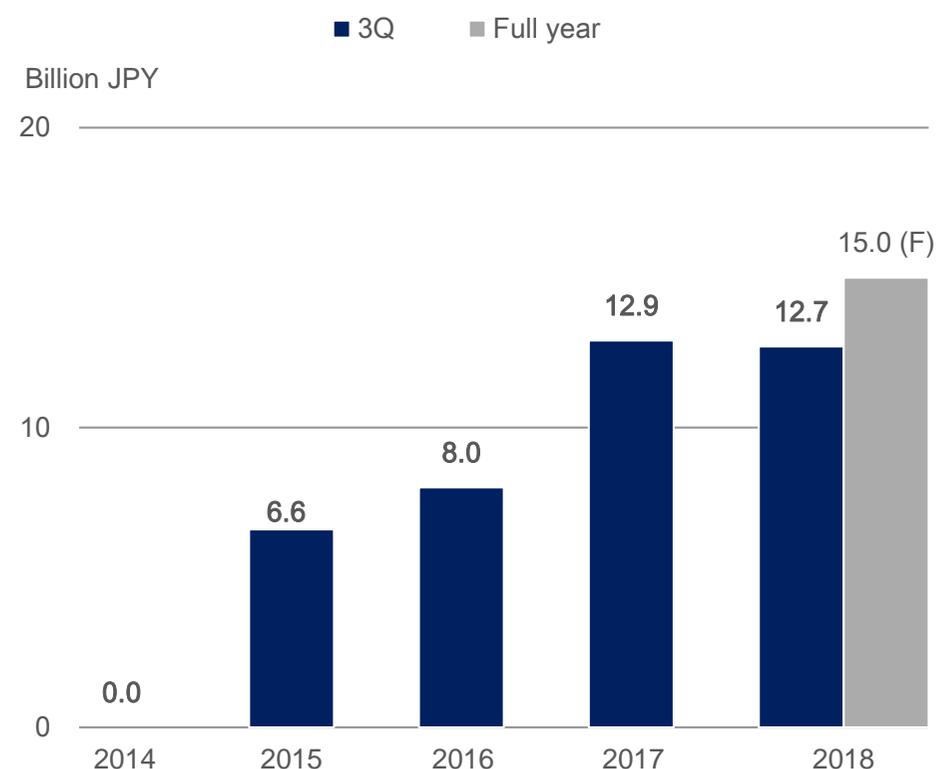
- EPC of MV 30 and MV31 progressed in track

2018 Third Quarter : Highlight

Ordinary Profit



Profit Attribute to Owners of Parent



- MV29 for Petrobras has added to the leased units in 2018