

April 15, 2014

MODEC, INC.  
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### **Determination of Issue Price and Offer Price**

MODEC, INC. hereby announces the Issue Price, the Offer Price and other items concerning the Issuance of New Shares through Public Offering and Third-Party Allotment and Sales of Shares which were resolved at its Board of Directors' Meeting held on April 7, 2014.

#### 1. Issuance of New Shares Through Public Offering (Open to All Parties)

(1)	Issue Price (Offer Price)	2,017 yen per share	
(2)	Total Amount of Issue Price	6,244,632,000 yen	
(3)	Amount to be paid	1,933.8 yen per share	
(4)	Total Amount to be paid	5,987,044,800 yen	
(5)	Amount of stated capital and capital reserves to be increased	The amount of stated capital to be increased	2,993,522,400 yen
		The amount of capital reserves to be increased	2,993,522,400 yen
(6)	Subscription Period	From Wednesday, April 16, 2014 to Thursday, April 17, 2014	
(7)	Payment Date	Tuesday, April 22, 2014	
(8)	Delivery Date	Wednesday, April 23, 2014	

[Note] The Underwriter will purchase the shares at the amount to be paid and offer the shares at the issue price (offer price).

#### 2. Issuance of New Shares Through Third-Party Allotment with Mitsui Engineering & Shipbuilding Co., Ltd. and Mitsui & Co., Ltd. as Allottees

(1)	Amount to be paid	2,017 yen per share	
(2)	Total Amount to be paid	12,989,076,600 yen	
(3)	Amount of stated capital and capital reserves to be increased	The amount of stated capital to be increased	6,494,538,300 yen
		The amount of capital reserves to be increased	6,494,538,300 yen
(4)	Subscription Period	From Wednesday, April 16, 2014 to Thursday, April 17, 2014	
(5)	Payment Date	Tuesday, April 22, 2014	

3. Sales of Shares (Sales Through Over-Allotment)

(1)	Number of shares for sale	464,200 shares
(2)	Sales Price	2, 017 yen per share
(3)	Total Price of Sale Price	936,291,400 yen
(4)	Subscription Period	From Wednesday, April 16, 2014 to Thursday, April 17, 2014
(5)	Delivery Date	Wednesday, April 23, 2014

4. Issuance of New Shares Through Third-party allotment with SMBC Nikko Securities Inc. as Allottee

(1)	Amount to be paid	1,933.8 yen per share	
(2)	Total Amount to be paid	Up to 897,669,960 yen	
(3)	Amount of stated capital and capital reserves to be increased	The amount of stated capital to be increased	Up to 448,834,980 yen
		The amount of capital reserves to be increased	Up to 448,834,980 yen
(4)	Subscription Date	Tuesday, May 20, 2014	
(5)	Payment Date	Wednesday, May 21, 2014	

**Reference**

1. Calculation of Issue Price and Sales Price

(1)	Calculation reference date and price:	Tuesday, April 15, 2014	2, 080 yen
(2)	Discount Rate:		3.03 %

2. The expiration date of the Green Shoe Option: Friday, May 16, 2014

3. Syndicate Cover Transaction Period:  
From Friday, April 18, 2014 to Friday, May 16, 2014

4. Use of the procurement funds

All funds estimated to be raised through the public offering and third-party allotment, 19,755,920,360 yen maximum, are planned to use for investments in and loans to special purpose companies established for the FPSO charter business. Specifically, in January 2015, 11,152,000,000 yen (an investment of 5,576,000,000 yen and a loan of 5,576,000,000 yen) will be given to Cernambi Sul MV24 B.V., and in January 2016, 8,603,920,360 yen (an investment of 5,850,000,000 yen and a loan of 2,753,920,360 yen) will be given to Cernambi Norte MV26 B.V.

The special purpose companies plan to use the investments and loans for the FPSO charter business.

Before the funds are allocated to the special purpose companies, they will be used for a short-term loan, which will be repaid by the end of December 2014, to Cernambi Sul MV24 B.V., which will use the loan for the construction of an FPSO. From the payoff date to the date of appropriation to the special purpose companies, MODEC will invest the funds in safe financial instruments.

For detail information, please refer to the notice of “Issuance of New Shares through Public Offering and Third-Party Allotment, and Sales of Shares” announced on April 7, 2014.

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