

MODEC, INC. and Consolidated Subsidiaries

CONSOLIDATED BALANCE SHEET

September 30, 2013

ASSETS

	<u>Millions of Japanese yen</u>
CURRENT ASSETS:	
Cash and time deposits	¥27,767
Accounts receivable - trade	59,745
Inventories	6,345
Short-term loans receivable	6,124
Other current assets	9,880
Less-Allowance for bad debts	(456)
Total current assets	<u>109,408</u>
PROPERTY AND EQUIPMENT:	
Vessels and equipment	15,769
Other	995
Total property and equipment	<u>16,764</u>
INTANGIBLE ASSETS:	7,034
INVESTMENTS AND OTHER ASSETS:	
Investment securities	22,711
Long-term loans receivable	27,765
Other investments	3,716
Total investments and other assets	<u>54,193</u>
Total assets	<u><u>¥187,401</u></u>

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

LIABILITIES AND NET ASSETS

	<u>Millions of Japanese yen</u>
CURRENT LIABILITIES:	
Accounts payable - trade	¥67,926
Current portion of long-term loans payable	1,345
Accrued expenses	7,512
Income taxes payable	3,042
Advances Received	7,468
Provision for product warranties	2,851
Other current liabilities	2,113
Total current liabilities	<u>92,260</u>
LONG-TERM LIABILITIES:	
Long-term loans payable	14,731
Severance and retirement benefits for employees	172
Other long-term liabilities	3,536
Total long-term liabilities	<u>18,440</u>
Total liabilities	110,700
NET ASSETS	
SHAREHOLDERS' EQUITY:	
Common stock;	
authorized - 102,868,000 shares	
outstanding - 46,408,000 shares	20,185
Capital surplus	20,915
Retained earnings	32,672
Less-Treasury stock at cost	(1)
Total shareholders' equity	<u>73,771</u>
ACCUMULATED GAINS (LOSSES) FROM VALUATION AND TRANSLATION ADJUSTMENTS:	
Unrealized gains/(losses) on available-for-sale securities, net of taxes	3
Unrealized gains/(losses) on hedging derivative, net of tax	(5,527)
Foreign currency translation adjustments	(124)
Retirement liability adjustments for foreign consolidated subsidiaries	(102)
Total accumulated gains (losses) from valuation and translation adjustments	<u>(5,751)</u>
MINORITY INTERESTS IN CONSOLIDATED SUBSIDIARIES:	8,679
Total net assets	76,700
Total liabilities and net assets	<u><u>¥187,401</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, 2013

	Millions of Japanese yen
SALES	¥166,081
COST OF SALES	151,751
Gross profit (loss)	<u>14,329</u>
SELLING, GENERAL AND ADMINISTRATIVE EXPENSES	10,265
Operating profit (loss)	<u>4,064</u>
OTHER INCOME (EXPENSES):	
Interest income and dividend income	1,814
Interest expense	(501)
Equity in earnings of affiliates and unconsolidated subsidiaries	3,988
Foreign exchange gain (loss), net	3,043
Gain on liquidation of subsidiaries	100
Other, net	673
Total other income (expenses)	<u>9,118</u>
INCOME BEFORE INCOME TAXES AND MINORITY INTERESTS:	13,182
INCOME TAXES:	
Current	3,686
Prior	(1,013)
Deferred	2,010
	<u>8,499</u>
INCOME BEFORE MINORITY INTERESTS	8,499
MINORITY INTERESTS	1,433
NET INCOME	<u>¥7,066</u>
	<u>¥7,066</u>
<i>* The figures are rounded down to the nearest million yen.</i>	
Net income per share	¥152.27

MODEC, INC. and Consolidated Subsidiaries

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

For the nine months ended September 30, 2013

	Millions of Japanese yen
Income before minority interests	¥8,499
Other comprehensive income	
Unrealized gains/(losses) on available-for-sale securities, net of tax	18
Unrealized gains/(losses) hedging derivatives, net of tax	39
Foreign currency transaction adjustments	3,289
Share of other comprehensive income of associates accounted for using equity method	5,766
Retirement liability adjustments for foreign consolidated subsidiaries	34
Total	9,148
Comprehensive income	¥17,647
Comprehensive income attributable to owners of the parent	¥15,248
Comprehensive income attributable to owners of minority interests	¥2,398

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