

MODEC, INC. and Consolidated Subsidiaries

CONSOLIDATED BALANCE SHEET

September 30, 2010

ASSETS

	Millions of Japanese yen
CURRENT ASSETS:	
Cash and time deposits	¥22,598
Accounts receivable - trade	45,814
Inventories	783
Short-term loans receivable	29,493
Other current assets	9,259
Less-Allowance for bad debts	(75)
Total current assets	<u>107,873</u>
PROPERTY AND EQUIPMENT:	
Vessels and equipment	671
Other	489
	<u>1,161</u>
INTANGIBLE ASSETS	6,343
OTHER ASSETS:	
Investment securities	12,942
Long-term loans receivable	17,025
Other investments	3,158
Less-Allowance for bad debts	(4)
	<u>33,122</u>
Total assets	<u><u>¥148,501</u></u>

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

LIABILITIES AND SHAREHOLDERS' EQUITY

	Millions of Japanese yen
CURRENT LIABILITIES:	
Accounts payable - trade	¥47,011
Short-term loans payable	17,548
Current portion of long-term loans payable	5,278
Accrued expenses	3,449
Income taxes payable	947
Advances Received	1,570
Provision for construction warranties	2,431
Other current liabilities	724
Total current liabilities	78,961
LONG-TERM LIABILITIES:	
Long-term loans payable	8,069
Severance and retirement benefits	
For employees	155
Long-term accounts payable	328
Other long-term liabilities	4,933
Total long-term liabilities	13,486
NET ASSETS	
SHAREHOLDERS' EQUITY:	
Common stock;	
authorized - 102,868,000 shares	
outstanding - 46,408,000 shares	20,185
Capital surplus	20,915
Retained earnings	20,750
Less-Treasury stock at cost	(1)
Total shareholders' equity	61,850
ACCUMULATED GAINS (LOSSES) FROM VALUATION AND TRANSLATION ADJUSTMENTS	
Net unrealized holding gains (losses) on securities	(10)
Unrealized losses on hedging derivative, net of tax	(173)
Foreign currency translation adjustments	(7,763)
Total accumulated gains (losses) from valuation and translation adjustments	(7,946)
MINORITY INTERESTS IN CONSOLIDATED SUBSIDIARIES:	
Total net assets	2,149
Total liabilities, net assets	56,053
	¥148,501

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

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CONSOLIDATED STATEMENT OF INCOME

For year ended September 30, 2010

	Millions of Japanese yen
SALES	¥115,049
COST OF SALES	107,023
Gross profit	<u>8,026</u>
SELLING, GENERAL AND ADMINISTRATIVE EXPENSES	<u>5,829</u>
Operating profit (loss)	2,196
OTHER INCOME (EXPENSES):	
Interest income and dividend income	989
Interest expense	(405)
Equity in earnings of affiliates	1,672
Foreign exchange gain (loss), net	(763)
Foreign exchange loss on capital decrease in affiliates	(398)
Gain on disposal of fixed asset	225
Other, net	516
Total other income (expenses)	<u>1,835</u>
INCOME BEFORE INCOME TAXES AND MINORITY INTERESTS	4,032
INCOME TAXES:	
Current	1,544
Prior	150
Deferred	<u>(653)</u>
INCOME BEFORE MINORITY INTERESTS	2,990
MINORITY INTERESTS	579
NET INCOME	<u><u>¥2,410</u></u>
<i>* The figures are rounded down to the nearest million yen.</i>	
Net income per share	¥55.70