

MODEC, INC. and Consolidated Subsidiaries

**CONSOLIDATED BALANCE SHEET**

March 31, 2011

**ASSETS**

	Millions of Japanese yen
<b>CURRENT ASSETS:</b>	
Cash and time deposits	¥16,172
Accounts receivable - trade	44,825
Inventories	1,192
Short-term loans receivable	19,977
Other current assets	11,919
Less-Allowance for bad debts	(5)
Total current assets	<u>94,082</u>
 <b>PROPERTY AND EQUIPMENT:</b>	
Vessels and equipment	13,755
Other	501
Total property and equipment	<u>14,257</u>
 <b>INTANGIBLE ASSETS:</b>	6,851
 <b>INVESTMENTS AND OTHER ASSETS:</b>	
Investment securities	11,831
Long-term loans receivable	11,794
Other investments	4,328
Less-Allowance for bad debts	(4)
Total investments and other assets	<u>27,949</u>
 Total assets	<u><u>¥143,141</u></u>

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

## LIABILITIES AND NET ASSETS

	Millions of Japanese yen
<b>CURRENT LIABILITIES:</b>	
Accounts payable - trade	¥43,893
Short-term loans payable	16,022
Current portion of long-term loans payable	3,654
Accrued expenses	3,680
Income taxes payable	2,503
Advances Received	2,119
Provision for product warranties	2,430
Other current liabilities	2,011
Total current liabilities	76,315
<b>LONG-TERM LIABILITIES:</b>	
Long-term loans payable	7,842
Severance and retirement benefits for employees	163
Long-term accounts payable	44
Other long-term liabilities	2,521
Total long-term liabilities	10,571
<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	21,329
Less-Treasury stock at cost	(1)
Total shareholders' equity	62,428
<b>ACCUMULATED GAINS (LOSSES) FROM VALUATION AND TRANSLATION ADJUSTMENTS</b>	
Net unrealized holding gains (losses) on securities	(9)
Unrealized losses on hedging derivative, net of tax	(3,249)
Foreign currency translation adjustments	(7,739)
Total accumulated gains (losses) from valuation and translation adjustments	(10,998)
<b>MINORITY INTERESTS IN CONSOLIDATED SUBSIDIARIES:</b>	4,823
Total net assets	56,254
Total liabilities, net assets	¥143,141

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

MODEC, INC. and Consolidated Subsidiaries

**CONSOLIDATED STATEMENT OF INCOME**

For year ended March 31, 2011

	Millions of Japanese yen
SALES	¥29,295
COST OF SALES	29,638
Gross profit (loss)	(343)
SELLING, GENERAL AND ADMINISTRATIVE EXPENSES	2,009
Operating profit (loss)	(2,353)
OTHER INCOME (EXPENSES):	
Interest income and dividend income	343
Interest expense	(189)
Equity in earnings of affiliates and unconsolidated subsidiaries	2,008
Loss on valuation of derivatives	(469)
Foreign exchange gain (loss), net	621
Gain on sales of subsidiaries and affiliates' stock	64
Other, net	60
Total other income (expenses)	2,440
INCOME BEFORE INCOME TAXES AND MINORITY INTERESTS	86
INCOME TAXES:	
Current	133
Deferred	(608)
INCOME BEFORE MINORITY INTERESTS	561
MINORITY INTERESTS	(227)
NET INCOME	¥789

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

Net income per share ¥17.01