MODEC, INC. and Consolidated Subsidiaries

CONSOLIDATED BALANCE SHEET

June 30, 2011

<u>ASSETS</u>

	Millions of Japanese yen
CURRENT ASSETS:	supulese yen
Cash and time deposits	¥13,939
Accounts receivable - trade	44,000
Inventories	7,461
Short-term loans receivable	16,631
Other current assets	8,050
Less-Allowance for bad debts	(1)
Total current assets	90,081
PROPERTY AND EQUIPMENT:	
Vessels and equipment	12,882
Other	529
Total property and equipment	13,411
INTANGIBLE ASSETS:	6,729
INVESTMENTS AND OTHER ASSETS:	
Investment securities	12,166
Long-term loans receivable	10,040
Other investments	3,212
Less-Allowance for bad debts	(2)
Total investments and other assets	25,417
Total assets	¥135,639

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

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES: Implaced () million Accounts payable - trade ¥40,413 Short-term loans payable 15,017 Current portion of long-term loans payable 1,599 Accrued expenses 3,511 Income taxes payable 2,147 Advances Received 1,670 Provision for product warranties 2,263 Other current liabilities 1,299 Total current liabilities 67,923 LONG-TERM LIABILITIES: 8,157 Long-term loans payable 8,157 Severance and retirement benefits for employees 167 Long-term liabilities 3,043 Total long-term liabilities 11,413 NET ASSETS SHAREHOLDERS' EQUITY: Common stock; 20,185 authorized - 102,868,000 shares 20,185 Capital surplus 20,915 Retained earnings 23,163 Less-Treasury stock at cost (1) Total shareholders' equity 64,263 ACCUMULATED GAINS (LOSSES) FROM VALUATION AND TRANSLATION ADUSTMENTS: Net unrealized holding gains (losses) on securities (14) <t< th=""><th></th><th>Millions of Japanese yen</th></t<>		Millions of Japanese yen
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* The figures are rounded down to the nearest million yen.

MODEC, INC. and Consolidated Subsidiaries

CONSOLIDATED STATEMENT OF INCOME

For year ended June 30, 2011

	Millions of
	Japanese yen
SALES	¥57,370
COST OF SALES	55,448
Gross profit (loss)	1,921
SELLING, GENERAL AND ADMINISTRATIVE EXPENSES	3,805
Operating profit (loss)	(1,883)
OTHER INCOME (EXPENSES):	
Interest income and dividend income	684
Interest expense	(349)
Equity in earnings of affiliates and unconsolidated subsidiaries	4,835
Loss on valuation of derivatives	(428)
Foreign exchange gain (loss), net	(254)
Gain on salses of subsidiaries and affiliates' stock	65
Other, net	92
Total other income (expenses)	4,645
INCOME BEFORE INCOME TAXES AND MINORITY INTERESTS:	2,761
INCOME TAXES:	
Current	(17)
Prior	85
Deferred	240
INCOME BEFORE MINORITY INTERESTS	2,453
MINORITY INTERESTS	(169)
NET INCOME	¥2,623
* The figures are rounded down to the nearest million yen.	
Net income per share	¥56.54