

MODEC, INC. and Consolidated Subsidiaries

CONSOLIDATED BALANCE SHEET

March 31, 2017

ASSETS

	<u>Millions of Japanese yen</u>
CURRENT ASSETS:	
Cash and time deposits	¥49,244
Accounts receivable – trade	93,452
Inventories	1,169
Short-term loans receivable	39,016
Other current assets	21,675
Less- Allowance for bad debts	<u>(1,924)</u>
Total current assets	202,635
PROPERTY AND EQUIPMENT:	
Machinery and equipment	10,932
Other property and equipment	<u>1,922</u>
Net property and equipment	12,855
INTANGIBLE ASSETS:	6,640
INVESTMENTS AND OTHER ASSETS:	
Investment securities	55,386
Long-term loans receivable from unconsolidated subsidiaries and affiliated companies	28,752
Collateralized deposits	4,226
Other investments	<u>6,610</u>
Total investments and other assets	94,975
Total assets	<u><u>¥317,106</u></u>

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

LIABILITIES AND NET ASSETS

	Millions of Japanese yen
CURRENT LIABILITIES:	
Accounts payable – trade	¥88,366
Current portion of long-term loans payable	13,272
Accrued expenses	14,165
Income taxes payable	9,887
Advances received	3,881
Accrued employees' bonuses	93
Provision for product warranty	6,434
Provision for repairs	41
Other provisions	5
Other current liabilities	1,664
Total current liabilities	<u>137,812</u>
LONG-TERM LIABILITIES:	
Long-term loans payable	33,856
Net defined benefit liabilities	274
Other non-current liabilities	13,249
Total long-term liabilities	<u>47,379</u>
CONTINGENT LIABILITIES:	
Total liabilities	185,192
NET ASSETS	
SHAREHOLDERS' EQUITY:	
Common stock;	
Authorized - 102,868,000 shares	
Issued - 56,408,000 shares	30,122
Capital surplus	30,852
Retained earnings	58,709
Treasury stock, at cost	(1)
Total shareholders' equity	<u>119,682</u>
ACCUMULATED OTHER COMPREHENSIVE INCOME:	
Unrealized holding gains/(losses) on securities, net of tax	(17)
Unrealized gains/(losses) on hedging derivatives, net of tax	(9,589)
Foreign currency translation adjustments	10,846
Retirement liability adjustments for foreign consolidated subsidiaries	(170)
Total accumulated other comprehensive income	<u>1,069</u>
NON-CONTROLLING INTERESTS	11,161
Total net assets	131,914
Total liabilities and net assets	<u><u>¥317,106</u></u>

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

MODEC, INC. and Consolidated Subsidiaries

CONSOLIDATED STATEMENT OF INCOME

For the three months ended March 31, 2017

	Millions of Japanese yen
SALES	¥50,162
COST OF SALES	44,020
Gross profit	6,141
SELLING, GENERAL AND ADMINISTRATIVE EXPENSES	3,814
Operating profit	2,327
OTHER INCOME (EXPENSES):	
Interest income and dividend income	1,113
Equity in earnings of affiliates and unconsolidated subsidiaries	1,405
Gain on revaluation of derivatives	429
Interest expense	(316)
Foreign exchange gain (loss), net	(1,083)
Other, net	411
Total other income (expenses)	1,959
INCOME (LOSS) BEFORE INCOME TAXES	4,287
INCOME TAXES:	
Current	1,591
Prior	(0)
Deferred	165
PROFIT (LOSS)	¥2,530
PROFIT (LOSS) ATTRIBUTABLE TO NON-CONTROLLING INTERESTS	(9)
PROFIT (LOSS) ATTRIBUTABLE TO OWNERS OF PARENT	2,540

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

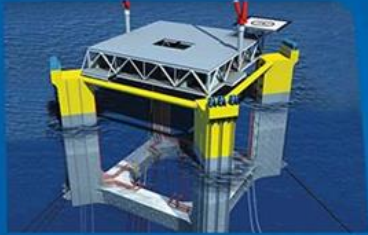
Net income (loss) per share ¥45.03

MODEC, INC. and Consolidated Subsidiaries

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the three months ended March 31, 2017

	Millions of Japanese yen
PROFIT (LOSS)	<u>¥2,530</u>
OTHER COMPREHENSIVE INCOME	
Unrealized holding gains/(losses) on securities, net of tax	(6)
Unrealized gains/(losses) on hedging derivatives, net of tax	(51)
Foreign currency transaction adjustments	(2,764)
Retirement liability adjustments for foreign consolidated subsidiaries	7
Share of other comprehensive income of associates accounted for using equity method	<u>(1,352)</u>
Total	<u>(4,168)</u>
COMPREHENSIVE INCOME	<u><u>(¥1,637)</u></u>
COMPREHENSIVE INCOME ATTRIBUTABLE TO OWNERS OF THE PARENT	(1,239)
COMPREHENSIVE INCOME ATTRIBUTABLE TO NON-CONTROLLING INTERESTS	(398)

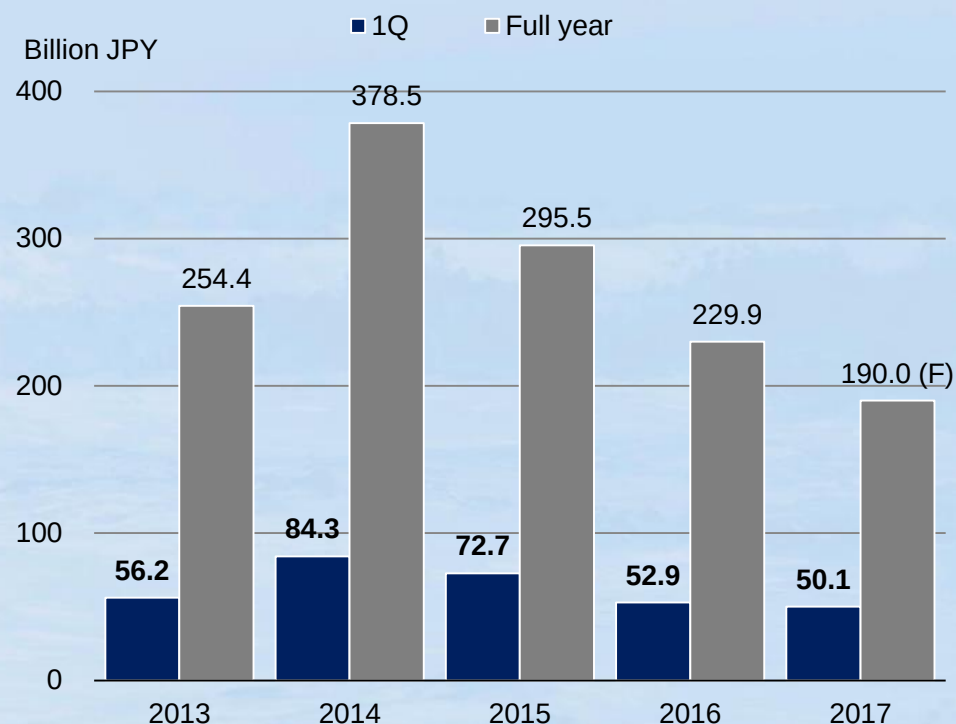


MODEC, Inc. 2017 1Q Financial Results Supplementary Presentation

May 1, 2017

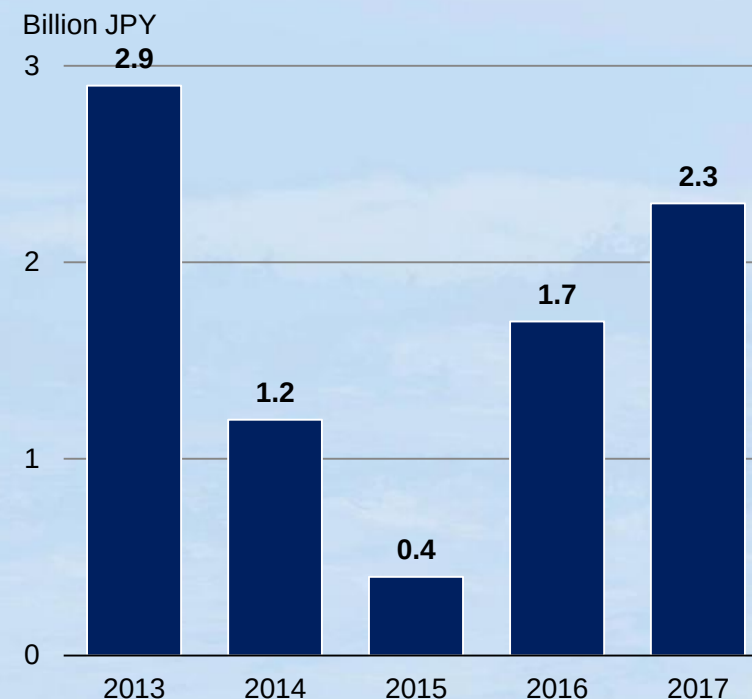
2017 First Quarter : Highlight

Revenue



- Revenue totaled 50.1 billion yen
 - EPCI: MV29 and other projects progressed on track
 - O&M: MV27 started operation in 4Q 2016 and contributed to the revenue from O&M

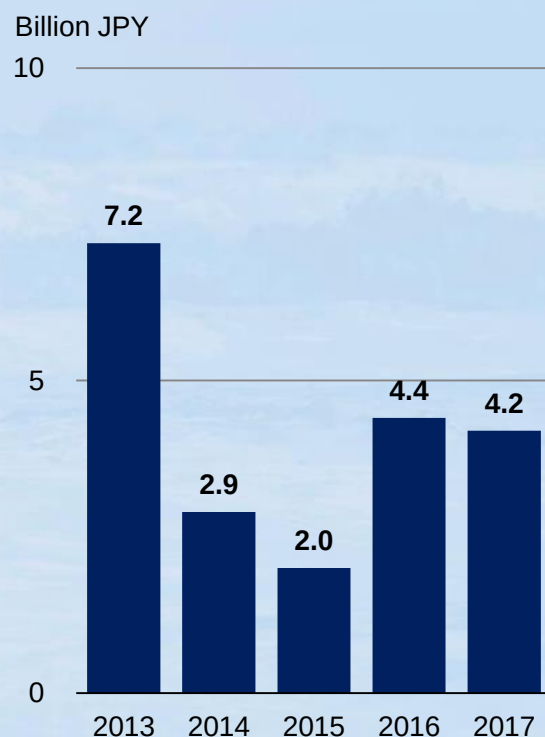
1Q Operating Profit



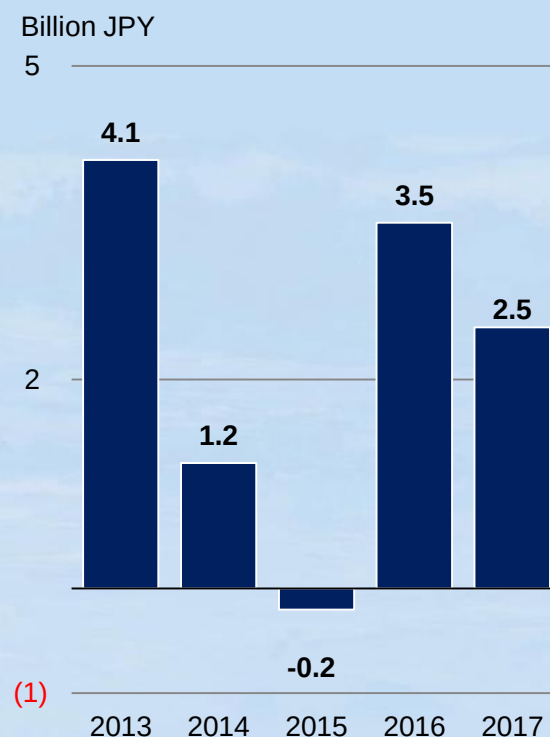
- Operating profit was 2.3 billion yen
 - Mainly attributable to the increase in profit from EPCI
 - 1.0 billion yen of profit relating to FPSO construction was deferred

2017 First Quarter : Highlight

1Q Ordinary Profit



1Q Profit Attributable to Owners of Parent



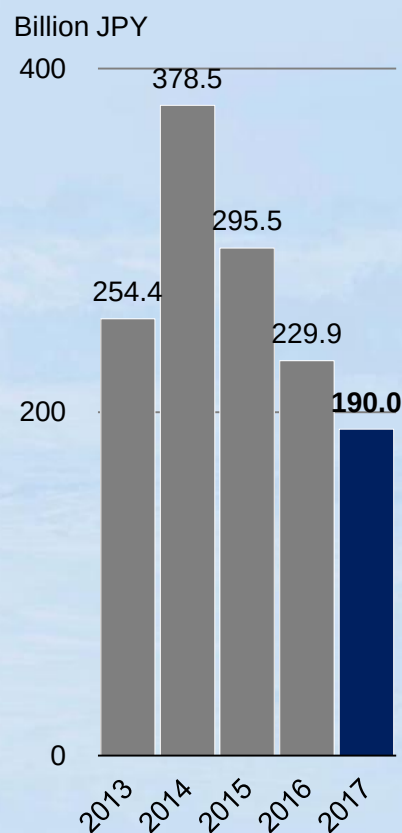
Exchange Rate on Closing Dates (\$/¥)



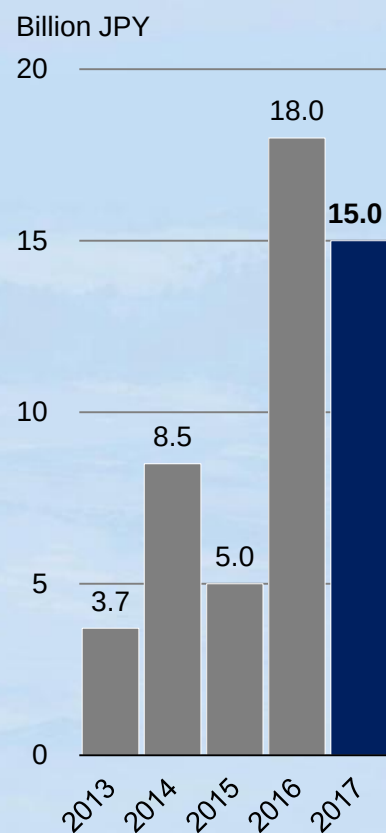
- Ordinary profit leveled off
- Profit attributable to owners of parent decreased due to the increase in income taxes

FY2017 : Outlook

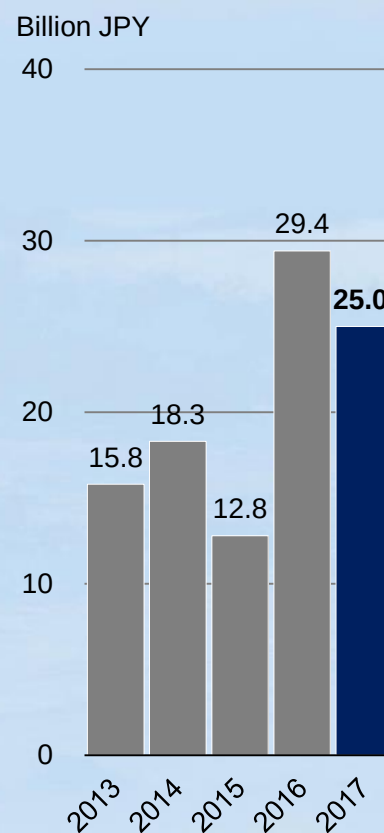
Revenue



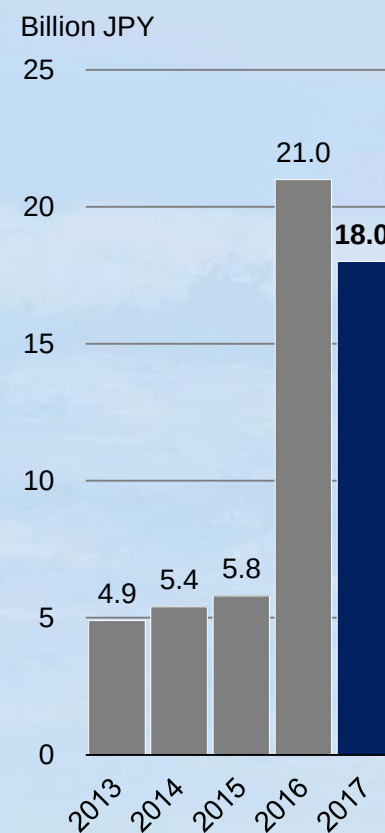
Operating Profit



Ordinary Profit



Profit Attributable to Owners of Parent



- Full year guidance remains unchanged