

MODEC, INC. and Consolidated Subsidiaries

CONSOLIDATED BALANCE SHEET

September 30, 2020

A S S E T S

	Millions of Japanese yen
CURRENT ASSETS:	
Cash and time deposits	¥75,029
Accounts receivable-trade	120,242
Securities	10,578
Inventories	10,198
Short-term loans receivable	5,296
Other current assets	18,077
Less allowance for bad debts	(433)
Total current assets	238,989
PROPERTY AND EQUIPMENT:	
Machinery and equipment	4
Other property and equipment	4,331
Total property and equipment	4,336
INTANGIBLE ASSETS:	9,970
INVESTMENTS AND OTHER ASSETS:	
Investment securities	69,955
Long-term loans receivable from affiliates	38,214
Other investments	9,034
Total investments and other assets	117,204
Total assets	¥370,500

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

LIABILITIES AND NET ASSETS

	Millions of Japanese yen
CURRENT LIABILITIES:	
Accounts payable-trade	¥153,407
Short-term loans payable	11,424
Current portion of long-term loans payable	5,826
Accrued expenses	15,773
Income taxes payable	5,326
Advances received	28,331
Accrued employees' bonuses	236
Accrued directors' bonuses	10
Provision for loss on construction contracts	5,214
Provision for product warranty	7,668
Provision for repairs	3,296
Other current liabilities	7,004
Total current liabilities	243,521
LONG-TERM LIABILITIES:	
Long-term loans payable	5,520
Net defined benefit liabilities	860
Other long-term liabilities	21,135
Total long-term liabilities	27,516
Total liabilities	271,038
NET ASSETS:	
SHAREHOLDERS' EQUITY:	
Common stock;	
Authorized - 102,868,000 shares	
Issued - 56,408,000 shares	30,122
Capital surplus	29,301
Retained earnings	64,296
Treasury stock, at cost	(169)
Total shareholders' equity	123,551
ACCUMULATED OTHER COMPREHENSIVE INCOME:	
Unrealized gains (losses) on hedging derivatives, net of tax	(20,815)
Foreign currency translation adjustments	(5,564)
Retirement liability adjustments for foreign consolidated subsidiaries	(1,029)
Total accumulated other comprehensive income	(27,409)
NON-CONTROLLING INTERESTS	3,320
Total net assets	99,462
Total liabilities and net assets	¥370,500

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

MODEC, INC. and Consolidated Subsidiaries

CONSOLIDATED STATEMENT OF OPERATION

For the nine months ended September 30, 2020

	Millions of Japanese yen
SALES	¥230,068
COST OF SALES	231,805
Gross profit (loss)	(1,736)
SELLING, GENERAL AND ADMINISTRATIVE EXPENSES	8,914
Operating profit (loss)	(10,651)
OTHER INCOME (EXPENSES):	
Interest income	3,274
Dividend income	15
Equity in earnings of unconsolidated subsidiaries and affiliates, net	3,794
Foreign exchange gain (loss), net	(1,311)
Interest expense	(510)
Gain (loss) on revaluation of derivatives	(248)
Reversal of provision for repairs	2,051
Retirement benefit expenses	(447)
Others, net	463
Total other income (expenses)	7,082
PROFIT (LOSS) BEFORE INCOME TAXES	(3,568)
INCOME TAXES:	
Current	2,129
Prior	147
Deferred	(631)
PROFIT (LOSS)	(5,214)
PROFIT (LOSS) ATTRIBUTABLE TO NON-CONTROLLING INTERESTS	(169)
PROFIT (LOSS) ATTRIBUTABLE TO OWNERS OF PARENT	(¥5,045)

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

Earnings (loss) per share (¥89.53)

MODEC, INC. and Consolidated Subsidiaries

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the nine months ended September 30, 2020

	Millions of Japanese yen
PROFIT(LOSS)	(¥5,214)
OTHER COMPREHENSIVE INCOME:	
Unrealized gains (losses) on hedging derivatives, net of tax	728
Foreign currency translation adjustments	(5,665)
Retirement liability adjustments for foreign consolidated subsidiaries	69
Share of other comprehensive income (loss) of unconsolidated subsidiaries and affiliates accounted for using equity method	(13,232)
Total other comprehensive income (loss)	<u>(18,099)</u>
COMPREHENSIVE INCOME	<u><u>(¥23,314)</u></u>
Comprehensive income attributable to owners of parent	(¥23,059)
Comprehensive income attributable to non-controlling interests	(¥254)

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