

# Outline of the financial results for the first quarter ended June 2005 (consolidated)

August 24, 2005

Listed company name: **Sasebo Heavy Industries Co., Ltd.**

(Code Number: 7007; listed on the Tokyo Stock Exchange First Section, Osaka Stock Exchange First Section, Fukuoka Stock Exchange)

(URL <http://www.ssk-sasebo.co.jp/>)

Name and Title of Representative: Hidekazu Morishima/President

Name and Title of Person responsible for inquiries:

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## **1. Matters relating to preparation of the outline of the first quarter financial results**

- ① Application of simplified accounting methods: Yes  
(Details) Certain simplified accounting methods have been applied, to the extent that they do not lead to great misjudgments by interested parties such as investors, taking as a base the standards for preparation of interim consolidated financial statements.
- ② Changes in accounting methods from the most recent consolidated fiscal year: None  
The Accounting Standard for Impairment of Fixed Assets (Opinion concerning Establishment of the Accounting Standard for Impairment of Fixed Assets, issued by the Business Accounting Council on August 9, 2002) and the Implementation Guidance for the Accounting Standard for Impairment of Fixed Assets (Financial Accounting Standard Implementation Guidance No.6, issued by the Accounting Standards Board of Japan on October 31, 2003) will be adopted from the consolidated interim settlement of accounts for the year ending March 2006. The said Accounting Standard and the Implementation Guidance have not been applied to the first quarter of this fiscal year.
- ③ Changes in scope of consolidation and application of equity method: None

## **2. Outline of the financial results for the first quarter of the fiscal year ending March 2006 (from April 1, 2005 ~ June 30, 2005)**

### **(1) Operating results (consolidated)**

*(Unit: million yen)*

Term \ Item	Net sales		Operating income		Ordinary income		Net income	
	<i>million yen</i>	%	<i>million yen</i>	%	<i>million yen</i>	%	<i>million yen</i>	%
1st quarter ended June 2005	11,008	-1.6	76	-87.6	77	-87.7	77	-88.6
1st quarter ended June 2004	11,192	-42.3	617	-	632	-	682	-
(Reference) Full fiscal year ended March 2005	43,178		749		663		672	

Term \ Item	Net income per share		Diluted net income per share	
	<i>yen</i>	<i>sen</i>	<i>yen</i>	<i>sen</i>
1st quarter ended June 2005	0.48			-
1st quarter ended June 2004	4.22			-
(Reference) Full fiscal year ended March 2005	4.15			-

(Note)

1. The percentage figures accompanying net sales and operating income, etc. represent changes from the same period of the previous fiscal year.

[Qualitative information on operating results (consolidated)]

Concerning the Group's business performance for the first quarter of fiscal year 2005, the total consolidated orders received were 2,975 million yen including other miscellaneous work, the breakdown for which is 972 million yen for shipbuilding business and 1,735 million yen for machinery/steel structure business, showing a 54 % decrease over the previous year. Sales were 9,231 million yen for shipbuilding business and 1,511 million yen for machinery/steel structure business, thereby posting total consolidated sales of 11,008 million yen including other miscellaneous work, with a 2% decrease over fiscal year 2004.

The order backlog for the first quarter was 118,291 million yen, with an increase of 45% over the previous year. This is broken down into 102,793 million yen for shipbuilding business including the building of 27 vessels and ship repair, 15,493 million yen for machinery/steel structure business, and other miscellaneous work. With respect to profit and loss, operating income of 76 million yen, ordinary income of 77 million yen and consolidated net profit of 77 million yen were posted for the first quarter.

**(2) Changes in financial position (consolidated)**

	Total assets	Shareholder equity	Shareholder equity ratio	Shareholder equity per share
	<i>million yen</i>	<i>million yen</i>	%	<i>yen sen</i>
1st quarter ended June 2005	53,789	14,944	27.8	92. 29
1st quarter ended June 2004	46,680	14,963	32.1	92. 40
(Reference) Full fiscal year ended March 2004	52,382	14,972	28.6	92. 46

**(3) Forecast for the fiscal year ending March 2006 (from April 1, 2005 ~ March 31, 2006)**

The forecast for the full-year financial results (announced on May 20, 2005) remains unchanged.

*\* The above forecast for performance was determined based upon information available at that time. Actual performance may vary depending on various factors.*

- Accompanying material  
Consolidated Balance Sheet for the First Quarter of Fiscal 2005 (summary), Profit and Loss Statement for the First Quarter of Fiscal 2005 (summary), and Status of Production, Orders and Sales

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