# Announcement of
# Interim Results for the Term ending March 31, 2008 (consolidated)
# (Based on Japanese GAAP)

*November 14, 2007*

Listed company name: **Sasebo Heavy Industries Co., Ltd.**
Stock Listings: Tokyo Stock Exchange 1st Section
Osaka Stock Exchange 1st Section
Fukuoka Stock Exchange
Code Number: 7007
(URL http://www.ssk-sasebo.co.jp)

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Scheduled Date of Interim Report Submission: December 20, 2007

*Figures less than one million yen have been rounded off.*

## 1. Consolidated Business Results for the six-month period ended September 30, 2007 (April 1, 2007 ~ September 30, 2007)

### (1) Consolidated Operating Results

*(Percentage figures represent changes from the same period of the previous year.)*

| | Net sales | | Operating income | | Ordinary income | | Net income | |
|---|---|---|---|---|---|---|---|---|
| | *Millions of yen* | *%* | *Millions of yen* | *%* | *Millions of yen* | *%* | *Millions of yen* | *%* |
| Half year ended September 30, 2007 | 32,681 | 27.0 | 3,990 | 1,300.0 | 3,954 | 888.5 | 1,402 | 154.0 |
| Half year ended September 30, 2006 | 25,743 | 9.4 | 285 | -64.4 | 400 | -47.2 | 552 | - |
| Year ended March 31, 2007 | 53,846 | - | 2,157 | - | 2,245 | - | 2,627 | - |

| | Net income per share | Diluted net income per share |
|---|---|---|
| | *Yen* | *Yen* |
| Half year ended September 30, 2007 | 8. 66 | - |
| Half year ended September 30, 2006 | 3. 41 | - |
| Year ended March 31, 2007 | 16. 23 | - |

*Note: Investment profit (loss) on equity method:*

*Half year ended September 30, 2007: ¥ -0 million*

*Half year ended September 30, 2006: (None-)*

*Year ended March 31, 2007: (None-)*

## (2) Consolidated Financial Position

| | Total assets | Shareholders' equity | Shareholders' equity ratio | Shareholders' equity pre share |
|---|---|---|---|---|
| | *Millions of yen* | *Millions of yen* | % | *Yen* |
| September 30, 2007 | 80,440 | 21,006 | 26.1 | 129.74 |
| September 30, 2006 | 66,004 | 16,842 | 25.5 | 104.02 |
| March 31, 2007 | 73,274 | 19,723 | 26.9 | 121.81 |

## (3) Consolidated Cash Flow

| | Cash flow from operating activities | Cash flow from investing activities | Cash flow from financing activities | Cash and cash equivalent at the end of period |
|---|---|---|---|---|
| | *Millions of yen* | *Millions of yen* | *Millions of yen* | *Millions of yen* |
| Half year ended September 30, 2007 | 5,449 | -1,408 | -725 | 21,105 |
| Half year ended September 30, 2006 | 5,800 | -4,728 | 0 | 12,347 |
| Year ended March 31, 2007 | 11,861 | -4,904 | -439 | 17,792 |

## 2. Dividend

| | Dividends per share | | |
|---|---|---|---|
| (Record date) | Interim-end dividends | Year-end dividends | Annual dividends |
| Year ended March 31, 2007 | *Yen*<br>- | *Yen*<br>2. 00 | *Yen*<br>2. 00 |
| March 2008 | - | | 5. 00 |
| March 2008 (forecast) | | 5. 00 | |

## 3. Consolidated prospects for the year ending March 31, 2008 (April 1, 2007 ~ March 31, 2008)

*(Percentage figures represent changes from the previous year.)*

| | Net sales | | Operating income | | Ordinary income | | Net income | | Net income per share |
|---|---|---|---|---|---|---|---|---|---|
| | *Millions of yen* | % | *Millions of yen* | % | *Millions of yen* | % | *Millions of yen* | % | *Yen* |
| Year ending March 31, 2008 | 68,000 | 26.3 | 6,800 | 215.3 | 6,600 | 194.0 | 5,200 | 97.9 | 32. 11 |

## 4. Others

(1) Changes to significant subsidiaries during the interim period (changes to specified subsidiaries that affected the scope of consolidation): None

(2) Changes in accounting principles, procedures and presentation methods in relation to the preparation of consolidated interim financial statements (changes that must be described in Changes in Significant Items underlying the preparation of consolidated interim financial statements)

① Changes related to accounting standard revisions: Yes

② Changes other than ① above: Yes

*(Note) For details, see pages 24 - 27 of 'Conditions for Presenting Interim Consolidated Financial Statements.*

(3) Number of shares outstanding (common stock)

① Number of shares outstanding at end of period (including treasury stock)
as of September 30, 2007: 161,955,000
as of September 30, 2006: 161,955,000
as of March 31, 2007: 161,955,000

② Number of treasury stock at end of period
as of September 30, 2007: 48,061
as of September 30, 2006: 39,810
as of March 31, 2007: 42,789

*(Reference) Outline of Individual Performance*

## 1. Individual Business Results for the six-month period ended September 30, 2007 (April 1, 2007 ~ September 30, 2007)

### (1) Individual operating results

*(Percentage figures represent changes from the same period of the previous year.)*

| | Net sales | | Operating income | | Ordinary income | | Net income | |
|---|---|---|---|---|---|---|---|---|
| | *Millions of yen* | *%* | *Millions of yen* | *%* | *Millions of yen* | *%* | *Millions of yen* | *%* |
| Half year ended September 30, 2007 | 32,164 | 27.3 | 3,969 | 1,414.9 | 3,932 | 937.5 | 1,447 | 170.0 |
| Half year ended September 30, 2006 | 25,263 | 9.3 | 262 | -69.8 | 379 | -53.9 | 536 | - |
| Year ended March 31, 2007 | 52,889 | - | 2,130 | - | 2,221 | - | 2,609 | - |

| | Net income per share |
|---|---|
| | *Yen* |
| Half year ended September 30, 2007 | 8. 94 |
| Half year ended September 30, 2006 | 3. 31 |
| Year ended March 31, 2007 | 16. 12 |

### (2) Individual financial position

| | Total assets | Shareholders' equity | Shareholders' equity ratio | Shareholders' equity pre share |
|---|---|---|---|---|
| | *Millions of yen* | *Millions of yen* | *%* | *Yen* |
| September 30, 2007 | 79,938 | 20,808 | 26.0 | 128.52 |
| September 30, 2006 | 65,501 | 16,595 | 25.3 | 102.49 |
| March 31, 2007 | 72,947 | 19,475 | 26.7 | 120.29 |

## 2. Individual prospects for the year ending March 31, 2008 (April 1, 2007 ~ March 31, 2008)

*(Percentage figures represent changes from the previous year.)*

| | Net sales | | Operating income | | Ordinary income | | Net income | | Net income per share |
|---|---|---|---|---|---|---|---|---|---|
| | *Millions of yen* | *%* | *Millions of yen* | *%* | *Millions of yen* | *%* | *Millions of yen* | *%* | *Yen* |
| Year ending March 31, 2008 | 67,000 | 26.7 | 6,800 | 219.2 | 6,600 | 197.2 | 5,200 | 99.3 | 32. 11 |

*(Notice concerning forward-looking statements)*
*Forward-looking statements in this material, such as prospects, are based on currently available information and certain assumptions that are considered to be reasonable. Actual results may differ significantly depending on various factors. For cautions on the use of prospects, see pages 5 - 9 of '1. Operating Results'.*

## 1. Operating Results

### (1) Analysis of Operating Results

#### ① Operating results for the interim period

Despite causes for concern such as turmoil in the financial markets, that began with the subprime mortgage financial crisis in the US, during the consolidated interim period under review the Japanese economy showed improvement in the employment situation and increased capital investment with the expansion of corporate earnings, and generally showed a trend to recovery.

In the shipbuilding industry, the volume of global shipbuilding orders received during the period from January to June equaled 75,869 thousand gross tons, which means an increase of 50.5% compared to the corresponding period of the previous year. Such increase resulted from a significant increase in orders received by South Korea and China, where there is a remarkable enhancement of facilities, supported by continuous demand expansion for vessel capacity as a result of a boom in the maritime industry. However, since each shipyard basically has full order backlogs for three to four years ahead, Japanese shipbuilding orders received totaled 10,295 thousand gross tons, down 24.5% over the same period last year. In the machinery industry, private capital investment continues to rise, supported by expansion of corporate earnings and demand increase. On the other hand, public investment in the steel structure industry continues to show a tendency to decrease, and the order receipt environment for the steel structure division continues to be harsh.

Even given the above circumstances, the Sasebo Group posted consolidated orders received of ¥53,533 million, 5.7 times more than for the corresponding period of the previous year, and a total consolidated sales amount of ¥32,681 million, 1.3 times more than for the same period of the previous year. As a result, the order backlog at the end of the interim period amounted to ¥235,106 million, 1.3 times more than for the same period of the previous year. In terms of profit and loss, a consolidated operating income of ¥3,990 million was posted, 14 times more than for the corresponding period of the previous year, which increase resulted from the improved sales prices of core products. A consolidated ordinary income of ¥3,954 million was posted, 9.9 times the amount for the corresponding period of the prior year, and despite the reporting of extraordinary losses, such as those from the revaluation of investment securities, a consolidated net income of ¥1,402 million was posted, 2.5 times that posted during the corresponding period of the previous year.

Operating results by business segment are as follows:

#### (a) Shipbuilding and ship repair

The Group posted orders received of ¥49,291 million for its shipbuilding and ship repair business, which is 11.1 times more than for the same period last year; the orders received were for ship repair work for Japan Maritime Self-Defense Force and United States Navy vessels, and for commercial vessels, shipbuilding comprising of the construction of 5 units of 180,000 DWT bulk carriers, another 5 units of 180,000 DWT bulk carriers, the contract for which was awarded during or before the previous year and was originally for 4 units of

115,000 DWT crude oil tankers and 2 units of 115,000 DWT product tankers.

The total amount of sales resulting from shipbuilding and repair work was ¥26,151 million, 1.2 times more than for the same period last year. Four (4) newly-built ships were delivered during this interim period, including 2 units of 76,000 DWT bulk carriers and 2 units of 115,000 DWT crude oil tankers. As a result, the order backlog totaled 33 units of shipbuilding.

In terms of profit and loss, despite increases in the purchase prices for items such as equipment and materials, an interim operating income of ¥3,500 million was posted, 10.2 times more than for the same period last year, due to increased sales value for newly built ships.

**(b) Machinery**

The Group posted orders received of ¥3,240 million for its machinery business, an increase of 4.1% over the same term last year; consisting of 109 cases of engineering work for marine equipment and general industrial machinery. Sales of ¥3,988 million were posted by the machinery business, which sales were 1.6 times more than for the corresponding period of the previous year. In terms of profit and loss, despite increases in purchase prices for such items as equipment and materials, an interim operating income of ¥1,513 million was posted, 2.2 times more than for the corresponding period of the previous year, which increase resulted from the effects of increased production of crankshafts supported by capital investment.

**(c) Steel structure**

The Group posted four steel structure work orders received, totaling ¥486 million, for its steel structure business; a decrease of 64.0% over the same term last year. Sales of ¥2,027 million were posted by the steel structure business, which sales were 2.1 times more than for the corresponding period of the previous year and resulted from an increase in work in progress. In terms of profit and loss, an interim operating loss of ¥399 million was posted (an interim loss of ¥76 million was posted for the interim period of the previous fiscal year), as a result of reporting unprofitable work as sales.

**(d) Others**

Other business segments are comprised mainly of transport business and so on. The Group posted orders received of ¥514 million, for an increase of 1.4% over the same term last year. Sales of ¥514 million were posted, an increase of 3.0% over the same term last year, and an interim operating income of ¥28 million was posted, a decrease of 42.9% over the same term last year.

The Group has changed its business segments, effective from this consolidated interim period. In line with the new business segments, comparison has been made with the same period of the previous year.

② **Forecast for the whole financial year**

The forecast for the full-year financial results remains unchanged from that shown in the 'Notice of Revision of Performance Forecast' announced on October 31, 2007. The Sasebo Group forecasts fiscal 2008 consolidated orders received of ¥77,000 million for the reason that demand for tonnage continues to expand resulting from the booming maritime industry. The Group forecasts consolidated net sales of ¥68,000 million. In terms of profit and loss, depreciation expense decreased after reviewing the capital investment implementation plan for the shipbuilding business, and order receipts for commercial vessel repair work by the ship repair business were favorable during the interim period. The Group thus forecasts an operating income of ¥6,800 million, and an ordinary income of ¥6,600 million. Although there are extraordinary losses such as losses from the revaluation of investment securities and impairment-losses, the Group forecasts a consolidated net income of ¥5,200 million, which exceeds the projection made at the beginning of the fiscal year. Such forecast for a consolidated net income has resulted from the reviewing of a range of scheduling on tax effect accounting, which review was undertaken with stabilization of operating performance.

### (a) Forecast of Group's operating results

*(Units: Millions of yen)*

| Category | Orders Received | Net Sales | Operating Income | Ordinary Income | Net Income |
|---|---|---|---|---|---|
| Consolidated performance | 77,000 | 68,000 | 6,800 | 6,600 | 5,200 |
| Non-consolidated performance | 76,000 | 67,000 | 6,800 | 6,600 | 5,200 |

*The exchange rate is assumed to be ¥110/US$.*

### (b) Forecast of operating results by business segment

*(Units: Millions of yen)*

| Category | Orders Received | Net Sales | Operating Income |
|---|---|---|---|
| Shipbuilding | 68,200 | 53,500 | 6,500 |
| Machinery | 6,900 | 7,300 | 2,500 |
| Steel Structure | 900 | 6,200 | -700 |
| Others | 1,000 | 1,000 | 0 |
| (Elimination) | - | - | -1,500 |
| Total | 77,000 | 68,000 | 6,800 |

## (2) Analysis of Financial Position

### ① Analysis of Assets, Liabilities, Net Assets and Cash Flow

**(a) Assets**

Current assets were ¥49,547 million, an increase of ¥5,997 million from the previous fiscal year-end. Such increase is mainly due to an increase in accounts receivable resulting from increased sales, and due to an increase in cash and deposits in line with increased advances received. Fixed assets were ¥30,893 million, an increase of ¥1,168 million from the previous fiscal year-end.

As a result, total assets were ¥80,440 million, an increase of ¥7,166 million from the previous fiscal year-end.

**(b) Liabilities**

Current liabilities increased by ¥6,281 million to ¥48,401 million, as compared to the previous fiscal year-end. Such increase is mainly due to increases in advances received. Fixed liabilities decreased by ¥398 million to ¥11,032 million, as compared to the previous fiscal year-end.

As a result, total liabilities increased by ¥5,882 million to ¥59,434 million, as compared to the previous fiscal year-end.

**(c) Net Assets**

Net assets increased by ¥1,283 million to ¥21,006 million, mainly due to increased retained earnings.

**(d) Cash Flow**

Cash flow from operating activities during this consolidated interim period increased by ¥5,449 million, resulting from an increase in net income before taxes and other adjustments and in advances received. Cash flow from investing activities decreased by ¥1,408 million due to payments for the acquisition of tangible fixed assets. Cash flow from financing activities decreased by ¥725 million due to repayment of loans and dividend payments.

As a result, cash and cash equivalents at the end of this consolidated interim period increased by ¥3,313 million to ¥21,105 million from the previous fiscal year-end.

### ② Cash Flow Indicator Trends

| | FY ended March 2006 | | FY ended March 2007 | | September 2007 |
|---|---|---|---|---|---|
| | Interim | Year-end | Interim | Year-end | Interim |
| Equity Ratio *(%)* | 27.9 | 26.9 | 25.5 | 26.9 | 26.1 |
| Equity Ratio at Market Value *(%)* | 69.2 | 74.6 | 79.2 | 99.4 | 158.2 |
| Ratio of Cash Flow to Interest-bearing Debt *(%)* | 4.1 | 1.2 | 0.8 | 0.4 | 0.7 |
| Interest Coverage Ratio *(times)* | 12.4 | 39.6 | 75.4 | 75.0 | 49.7 |

*(Notes)*

1. *The calculation method for each indicator is shown below:*
   *Equity Ratio: Shareholders' equity/Total assets*
   *Equity Ratio at Market Value: Market capitalization/Total assets*
   *Ratio of Cash Flow to Interest-bearing Debt: Interest-bearing debt/Operating cash flow*
   *Interest Coverage Ratio: Operating cash flow/Interest payment*
2. *All indicators were calculated using the consolidated financial figures.*
3. *The total market value of shares is calculated as the closing stock price at the end of the term multiplied by the number of shares outstanding (after excluding treasury stock).*
4. *The figures for cash flow from operating activities uses the figures for cash flow from operating activities shown in the consolidated cash-flow statement.*
5. *Interest-bearing debt refers to all debts on the consolidated balance sheet for which debt interest is paid. The amount of interest paid on the consolidated cash flow statement was used as interest payment.*

### (3) Basic Policy for Profit Distribution and Dividends for the Current and Next Fiscal Year

The shipbuilding industry competes worldwide, where there is no distinction between domestic and overseas markets, and is completely contingent upon currency movements and the world shipping market. The business performance of companies in the industry is thus subject to significant change. We have therefore adopted a policy of determining dividend payments by taking into account the business performance trends of the time, giving the highest priority to the return of profits to shareholders, while aiming to maintain harmony with retained earnings in order to strengthen our corporate culture. We regret to inform the shareholders that we have decided to suspend payment of dividends for the interim period. The year-end dividend for fiscal 2008 is planned to be 5 yen per share.

## 2. Corporate Group Conditions

Sasebo Heavy Industries Co., Ltd. and its affiliates (comprised of the company and eight subsidiaries [as of September 30, 2007]) engage primarily in the manufacture and sale of ships and vessels, machinery and steel structures. The Group has changed its business segments, effective from this consolidated interim period. The positioning of the company and its affiliates, in their respective business segments, is as follows:

### [Ships and Vessels]

Sasebo Heavy Industries Co., Ltd. conducts manufacturing and sales. Part of their shipbuilding processes are contracted to N.N.U. Co., Ltd. (a consolidated subsidiary of the company).

### [Machinery]

Sasebo Heavy Industries Co., Ltd. conducts manufacturing and sales. Part of their manufacturing is contracted to N.N.U. Co., Ltd. (a consolidated subsidiary of the company).

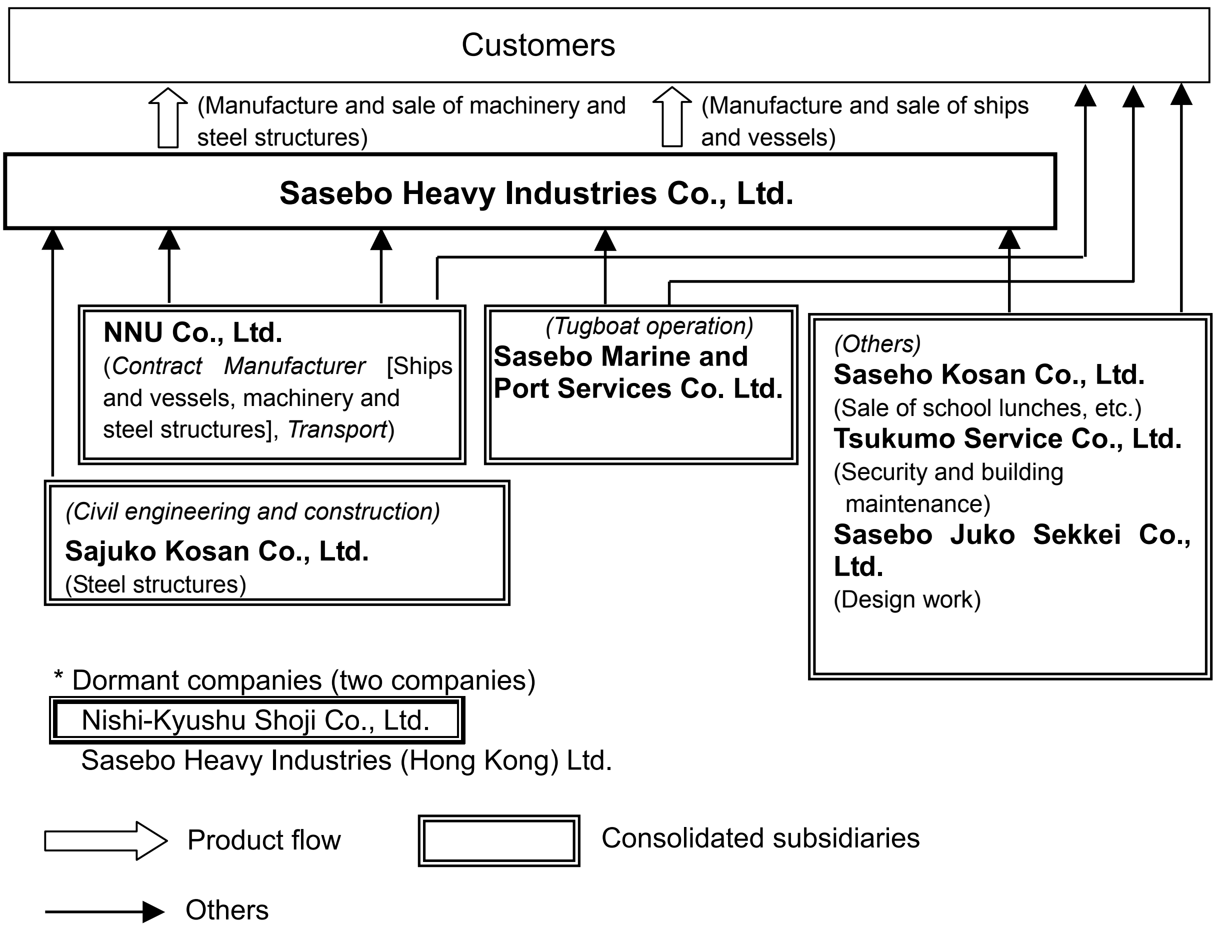
### [Steel Structure]

Sasebo Heavy Industries Co., Ltd. conducts manufacturing and sales. Part of their steel structure manufacturing is contracted to N.N.U. Co., Ltd. (a consolidated subsidiary of the company). Sajuko Kosan Co., Ltd. (a consolidated subsidiary of the company) conducts operations such as civil engineering and construction.

### [Others]

Tsukumo Service Co., Ltd. (a consolidated subsidiary of the company) undertakes security work and cleaning for the company’s factories. Saseho Kosan Co., Ltd. (a consolidated subsidiary of the company) leases facilities from the company to operate school lunch centers and golf courses. N.N.U. Co., Ltd. (a consolidated subsidiary of the company) is engaged in the company’s transport operations. Sasebo Juko Sekkei Co., Ltd. (a consolidated subsidiary of the company) undertakes design work for the company. Sasebo Marine and Port Services Co., Ltd. (a consolidated subsidiary of the company) is engaged in tugboat operations.

The above information is summarized in the following operation chart:




## 3. Management Policy

### (1) Basic Management Policy

Through the company's motto "We offer quality and services that fulfill customer expectations, by practicing the Customer First principle." Sasebo Heavy Industries Co., Ltd. works for technology upgrades and innovation as well as increased management efficiency. In addition to our mainstay of domestic/overseas shipbuilding and repair for a wide variety of ships and vessels, the company conducts the manufacture and sale of plant, forged products, steel structures, and industrial machinery, chemical engineering and marine equipment. The company will further intensify its corporate efforts, strive to develop products that address the demands of the new era, and will produce high quality products that broadly meet industrial requirements.

Further, as a comprehensive heavy industry company, Sasebo Heavy Industries Co., Ltd. will carry out corporate activities that can fulfill the expectations of customers, shareholders, cooperative companies, and other business partners, aims at coexistence and co-prosperity, and will accomplish our corporate social mission.

**(2) Targeted Management Index**

Based upon the goals outlined in the mid-term management plan, the company sets as its priority goals the improvement of net sales, ordinary income, and ROE, and will devote every effort to realize the policies set by each division.

**(3) Medium-Term Management Strategy**

Sasebo developed its mid-term management plan in April 2003, with the aim of 'early realization of a surplus structure', and has largely succeeded in achieving such aim. The company developed a new mid-term management plan in April 2006, in order to link the remaining issues such as areas to be further strengthened in the next steps, and the plan is currently under execution.

For shipbuilding, Sasebo will not only conduct order receipt activities taking profitability into consideration, but will also focus on renewing shipbuilding facilities, and undertake hull form research and development. As a local shipyard at the Sasebo Naval Base, in addition to naval vessel repair operations for the Japan Maritime Self-Defense Force and the United States Navy, the company will aim at quality and productivity improvements for marine equipment, and will try to improve its competitiveness in the area of steel structure construction. Sasebo will thus challenge the trends of the times and the changing market, pursue innovation, and will work together to win against fierce competition, while utilizing traditional resources.

**(4) Tasks to be addressed by the Company**

Regarding shipbuilding, the Japanese shipbuilding industry has a large construction backlog. However, there are major issues facing the industry in further strengthening competitiveness in the face-off against South Korea and China, where expansion of business scale continues, and in the timely passing down of technical skills to the younger generation in order to respond to the year 2007 issue, in which the baby boom generation will be reaching retirement age, and to which generation many shipping building technicians belong.

In the machinery industry, the environment surrounding order receipts is expected to steadily improve, with favorable capital investment from both inside and outside the country. On the other hand, competition is intensifying in the steel structure industry, where the prospects for public investment are expected to continue to decline. It is therefore expected that the management environment for the Group will continue to be severe.

In such circumstances, the Sasebo Group will make capital investments in a planned manner, promote the succession of techniques and skills, and will try to establish a mechanism for such undertakings.

The major undertakings by respective segment are as follows:

① Shipbuilding segment

One of our main objectives in the shipbuilding division is to secure profits through the receipt of orders for suitable kinds of vessels, along with expansion of our shipbuilding facilities and the development of future designs.

For the ship repair division, we will focus on repairing ships of the JMSDF and the US Navy, as well as commercial ships.

② Machinery segment

For the machinery business, the company will try to improve marine equipment quality and productivity.

③ Steel structure segment

For the steel structure business, the company will try to achieve better price competitiveness through cost reductions and through improvements to its capability to make technical proposals.

# Consolidated Financial Statements

## (1) Consolidated Balance Sheets

*(Units: Millions of yen)*

| Accounts | September 30, 2007 | March 31, 2007 | Year-on-year change | September 30, 2006 |
|---|---|---|---|---|
| **(Assets)** | | | | |
| **Current assets** | ( 49,547) | ( 43,550) | ( 5,997) | ( 37,198) |
| Cash & time deposits | 20,230 | 21,271 | -1,041 | 18,716 |
| Notes & accounts receivable | 18,988 | 14,228 | 4,760 | 13,010 |
| Marketable securities | 4,537 | 1,537 | 2,999 | 33 |
| Inventories | 2,487 | 2,397 | 90 | 2,692 |
| Accounts receivable | 1,054 | 686 | 367 | 644 |
| Deferred tax assets | 1,239 | 2,486 | -1,247 | 1,343 |
| Others | 1,065 | 987 | 78 | 795 |
| Allowance for doubtful receivables | -55 | -45 | -10 | -38 |
| **Fixed assets** | ( 30,893) | ( 29,724) | ( 1,168) | ( 28,806) |
| **Tangible fixed assets** | ( 22,620) | ( 22,252) | ( 368) | ( 22,111) |
| Buildings and structures | 6,735 | 7,000 | -264 | 6,906 |
| Docks and building berths | 746 | 771 | -24 | 795 |
| Machinery and transportation equipment | 4,187 | 4,340 | -153 | 4,368 |
| Tools, furniture and fixtures | 287 | 252 | 34 | 236 |
| Land | 9,165 | 9,467 | -302 | 9,467 |
| Construction in progress | 1,497 | 419 | 1,078 | 336 |
| **Intangible fixed assets** | ( 171) | ( 191) | ( -19) | ( 177) |
| Software | 159 | 179 | -19 | 165 |
| Utility model rights | 0 | 0 | -0 | 0 |
| Telephone subscription rights | 11 | 11 | - | 11 |
| **Investment and other assets** | ( 8,100) | ( 7,280) | ( 820) | ( 6,517) |
| Investment securities | 7,724 | 6,999 | 725 | 5,113 |
| Long-term loans receivable | 18 | 20 | -1 | 17 |
| Deferred tax assets | 1 | 0 | 0 | 1,085 |
| Others | 868 | 771 | 97 | 812 |
| Allowance for doubtful receivables | -511 | -511 | -0 | -511 |
| **Total Assets** | 80,440 | 73,274 | 7,166 | 66,004 |

*(Units: Millions of yen)*

| Accounts | September 30, 2007 | March 31, 2007 | Year-on-year change | September 30, 2006 |
|---|---|---|---|---|
| **(Liabilities)** | | | | |
| **Current liabilities** | ( 48,401) | ( 42,120) | ( 6,281) | ( 36,959) |
| Trade notes and accounts payable | 20,592 | 18,930 | 1,661 | 18,964 |
| Notes payable for equipment | 587 | 852 | -264 | 993 |
| Short-term loans | 2,119 | 1,665 | 454 | 1,669 |
| Bonds due for redemption within one year | 100 | 100 | - | 100 |
| Accrued income taxes | 53 | 44 | 9 | 34 |
| Advances received | 23,462 | 18,174 | 5,288 | 13,950 |
| Allowances for guarantees on construction work | 73 | 74 | -1 | 35 |
| Allowance for losses on construction contracts | 67 | 76 | -9 | 31 |
| Others | 1,345 | 2,203 | -857 | 1,182 |
| **Fixed liabilities** | ( 11,032) | ( 11,431) | ( -398) | ( 12,202) |
| Bonds | - | 50 | -50 | 100 |
| Long-term loans | 1,627 | 2,431 | -804 | 2,816 |
| Deferred tax liabilities | 170 | 100 | 69 | 10 |
| Accrued retirement benefits | 8,865 | 8,533 | 332 | 9,054 |
| Allowance for director retirement benefits | - | 102 | -102 | - |
| Allowance for special repairs | 55 | 50 | 4 | 42 |
| Others | 313 | 161 | 152 | 178 |
| **Total Liabilities** | 59,434 | 53,551 | 5,882 | 49,162 |

*(Units: Millions of yen)*

| Accounts | September 30, 2007 | March 31, 2007 | Year-on-year change | September 30, 2006 |
|---|---|---|---|---|
| **(Net Assets)** | | | | |
| Shareholders' equity | ( 18,991) | ( 17,916) | ( 1,075) | ( 15,842) |
| Common stock | 8,414 | 8,414 | - | 8,414 |
| Additional paid-in capital | 5,148 | 5,148 | - | 5,148 |
| Retained earnings | 5,440 | 4,361 | 1,078 | 2,286 |
| Treasury stock | -11 | -7 | -3 | -6 |
| Valuation and Translation Adjustments | ( 2,015) | ( 1,806) | ( 208) | ( 999) |
| Net unrealized gains on securities | 2,013 | 1,805 | 208 | 998 |
| Foreign currency translation adjustments | 1 | 1 | -0 | 1 |
| **Total Net Assets** | 21,006 | 19,723 | 1,283 | 16,842 |
| **Total Liabilities & Net Assets** | 80,440 | 73,274 | 7,166 | 66,004 |

## (2) Interim Consolidated Statement of Income

*(Units: Millions of yen)*

| Accounts | *September 30, 2007 (Apr. - Sep. 2007)* | | *September 30, 2006 (Apr. - Sep. 2006)* | | *Year-on-year change* | | *March 31, 2007 (Apr. 2006 - Mar. 2007)* | |
|---|---|---|---|---|---|---|---|---|
| | | % | | % | | % | | % |
| I. Net sales | 32,681 | 100.0 | 25,743 | 100.0 | 6,937 | 100.0 | 53,846 | 100.0 |
| II. Cost of sales | 27,476 | | 24,352 | | 3,124 | | 49,549 | |
| Gross profit | 5,205 | 15.9 | 1,391 | 5.4 | 3,813 | 55.0 | 4,297 | 8.0 |
| III. Sales, general and administrative expenses | 1,215 | | 1,105 | | 109 | | 2,139 | |
| Operating income | 3,990 | 12.2 | 285 | 1.1 | 3,704 | 53.4 | 2,157 | 4.0 |
| IV. Non-operating income | 91 | | 203 | | -111 | | 268 | |
| Interest income and dividend income | 75 | | 35 | | 40 | | 69 | |
| Foreign exchange gain | - | | 129 | | -129 | | 128 | |
| Other non-operating income | 16 | | 38 | | -22 | | 69 | |
| V. Non-operating expenses | 127 | | 89 | | 38 | | 180 | |
| Interest expense | 92 | | 76 | | 15 | | 162 | |
| Foreign exchange loss | 13 | | - | | 13 | | - | |
| Other non-operating expenses | 22 | | 12 | | 9 | | 17 | |
| Ordinary income | 3,954 | 12.1 | 400 | 1.6 | 3,554 | 51.2 | 2,245 | 4.2 |
| **VI. Extraordinary Income** | 0 | | 9 | | -9 | | 31 | |
| Gain on sale of fixed assets | 0 | | 8 | | -8 | | 8 | |
| Gain on sale of investment securities | - | | 1 | | -1 | | 23 | |
| **VII. Extraordinary loss** | 1,367 | | 10 | | 1,356 | | 311 | |
| Loss on sale of fixed assets | 6 | | - | | 6 | | - | |
| Loss from disposal of fixed assets | 56 | | 10 | | 46 | | 242 | |
| Impairment loss | 446 | | - | | 446 | | - | |
| Provision for allowance for director retirement benefits | - | | - | | - | | 67 | |
| Valuation loss on investment securities | 803 | | - | | 803 | | 0 | |
| Other extraordinary losses | 54 | | 0 | | 54 | | 0 | |
| Interim net income before tax | 2,587 | 7.9 | 399 | 1.6 | 2,188 | 31.5 | 1,966 | 3.7 |
| Corporate income, inhabitant and enterprise taxes | 11 | 0.0 | 8 | 0.0 | 3 | 0.0 | 17 | 0.0 |
| Income tax adjustment | 1,173 | 3.6 | -161 | -0.6 | 1,334 | 19.2 | -678 | -1.3 |
| **Interim net income** | 1,402 | 4.3 | 552 | 2.2 | 850 | 12.3 | 2,627 | 4.9 |

### (3) Interim Consolidated Statement of Changes in Shareholders' equity, etc.

### Previous interim consolidated accounting period (April 1, 2006 ~ September 30, 2006)

*(Unit: Millions of yen)*

| | Shareholders' equity | | | | |
|---|---|---|---|---|---|
| | Common stock | Capital surplus | Retained earnings | Treasury stock | Total shareholders equity |
| Balance as of March 31, 2006 | 8,414 | 5,148 | 1,734 | -4 | 15,292 |
| Changes during the period | | | | | |
| Net income | | | 552 | | 552 |
| Purchase of treasury stock | | | | -1 | -1 |
| Net changes of items other than Shareholders' equity during the period | | | | | - |
| Total changes during the period | - | - | 552 | -1 | 550 |
| Balance as of September 30, 2006 | 8,414 | 5,148 | 2,286 | -6 | 15,842 |

| | Valuation & translation adjustments | | | Total net assets |
|---|---|---|---|---|
| | Unrealized gain or loss on available-for-sale securities | Foreign currency translation adjustment | Total valuation & translation adjustments | |
| Balance as of March 31, 2006 | 1,400 | 1 | 1,401 | 16,693 |
| Changes during the period | | | | |
| Net income | | | - | 552 |
| Purchase of treasury stock | | | - | -1 |
| Net changes of items other than Shareholders' equity during the period | -401 | | -401 | -401 |
| Total changes during the period | -401 | - | -401 | 148 |
| Balance as of September 30, 2006 | 998 | 1 | 999 | 16,842 |

## Current interim consolidated accounting period (April 1, 2007 ~ September 30, 2007)

*(Unit: Millions of yen)*

| | Shareholders' equity | | | | |
|---|---|---|---|---|---|
| | Common stock | Capital surplus | Retained earnings | Treasury stock | Total shareholders equity |
| Balance as of March 31, 2007 | 8,414 | 5,148 | 4,361 | -7 | 17,916 |
| Changes during the period | | | | | |
| Surplus dividend paid | | | -323 | | -323 |
| Net income | | | 1,402 | | 1,402 |
| Purchase of treasury stock | | | | -3 | -3 |
| Net changes of items other than Shareholders' equity during the period | | | | | - |
| Total changes during the period | - | - | 1,078 | -3 | 1,075 |
| Balance as of September 30, 2007 | 8,414 | 5,148 | 5,440 | -11 | 18,991 |

| | Valuation & translation adjustments | | | Total net assets |
|---|---|---|---|---|
| | Unrealized gain or loss on available-for-sale securities | Foreign currency translation adjustment | Total valuation & translation adjustments | |
| Balance as of March 31, 2007 | 1,805 | 1 | 1,806 | 19,723 |
| Changes during the period | | | | |
| Surplus dividend paid | | | - | -323 |
| Net income | | | - | 1,402 |
| Purchase of treasury stock | | | - | -3 |
| Net changes of items other than Shareholders' equity during the period | 208 | -0 | 208 | 208 |
| Total changes during the period | 208 | -0 | 208 | 1,283 |
| Balance as of September 30, 2007 | 2,013 | 1 | 2,015 | 21,006 |

## Previous consolidated accounting period (April 1, 2006 ~ March 31, 2007)

*(Unit: Millions of yen)*

| | Shareholders' equity | | | | |
|---|---|---|---|---|---|
| | Common stock | Capital surplus | Retained earnings | Treasury stock | Total shareholders equity |
| Balance as of March 31, 2006 | 8,414 | 5,148 | 1,734 | -4 | 15,292 |
| Changes during the period | | | | | |
| Net income | | | 2,627 | | 2,627 |
| Purchase of treasury stock | | | | -3 | -3 |
| Net changes of items other than Shareholders' equity during the period | | | | | - |
| Total changes during the period | - | - | 2,627 | -3 | 2,624 |
| Balance as of March 31, 2007 | 8,414 | 5,148 | 4,361 | -7 | 17,916 |

| | Valuation & translation adjustments | | | Total net assets |
|---|---|---|---|---|
| | Unrealized gain or loss on available-for-sale securities | Foreign currency translation adjustment | Total valuation & translation adjustments | |
| Balance as of March 31, 2006 | 1,400 | 1 | 1,401 | 16,693 |
| Changes during the period | | | | |
| Net income | | | - | 2,627 |
| Purchase of treasury stock | | | - | -3 |
| Net changes of items other than Shareholders' equity during the period | 405 | -0 | 405 | 405 |
| Total changes during the period | 405 | -0 | 405 | 3,029 |
| Balance as of March 31, 2007 | 1,805 | 1 | 1,806 | 19,723 |

## (4) Consolidated Statement of Cash Flow

*(Unit: Millions of yen)*

| | September 30, 2007 (Apr. - Sep. 2007) | September 30, 2006 (Apr. - Sep. 2006) | Year-on-year change | March 31, 2006 (Apr. 2006 – Mar. 2007) |
|---|---|---|---|---|
| **I. Cash flow from operating activities** | | | | |
| Net income before income taxes | 2,587 | 399 | 2,188 | 1,966 |
| Depreciation and amortization | 755 | 603 | 152 | 1,323 |
| Increase in allowance for doubtful accounts | 10 | 81 | -71 | 88 |
| Increase (decrease) in accrued retirement benefits | 332 | 341 | -9 | -179 |
| Increase (decrease) in allowance for director retirement benefits | -102 | - | -102 | 102 |
| Increase (decrease) in allowance for guaranteed construction work | -1 | 3 | -4 | 42 |
| Increase (decrease) in allowance for loss on construction work contracts | -9 | -15 | 6 | 30 |
| Increase in allowance for special repairs | 4 | 1 | 3 | 9 |
| Interest and dividend income | -75 | -35 | -40 | -69 |
| Gain from sales of fixed assets | -0 | -8 | 8 | -8 |
| Gain from sales of investment securities | - | -1 | 1 | -23 |
| Interest expenses | 92 | 76 | 15 | 162 |
| Foreign exchange gains (losses) | 3 | -2 | 5 | -2 |
| Loss on sales of fixed assets | 6 | - | 6 | - |
| Loss on disposal of fixed assets | 56 | 10 | 46 | 242 |
| Impairment loss on fixed assets | 446 | - | 446 | - |
| Loss on evaluation of investment securities | 803 | - | 803 | - |
| Investment loss on equity method | 0 | - | 0 | - |
| Decrease (increase) in trade receivables | -4,757 | 847 | -5,605 | -374 |
| Increase in inventories and advance payment | -81 | -91 | 9 | -23 |
| Increase in accrued consumption tax payable | -435 | -129 | -306 | -103 |
| Decrease (increase) in other current assets | -26 | 87 | -114 | 106 |
| Increase in notes and accounts payable | 1,428 | 993 | 434 | 748 |
| Increase in advances received | 5,288 | 3,217 | 2,071 | 7,440 |
| Increase (decrease) in other current liabilities | -842 | -315 | -526 | 697 |
| Others | 1 | 0 | 1 | 0 |
| Sub Total | 5,484 | 6,066 | -581 | 12,176 |
| Interest and dividends received | 71 | 32 | 38 | 65 |
| Interest paid | -109 | -83 | -26 | -158 |
| Income taxes received (paid) | 3 | -14 | 18 | -22 |
| Fines and penalties paid due to violation of the Antimonopoly Law | - | -200 | 200 | -200 |
| Net cash provided by operating activities | 5,449 | 5,800 | -350 | 11,861 |

| | | | | |
|---|---|---|---|---|
| **II. Cash flow from investment activities** | | | | |
| Decrease (increase) in deposits with maturity of more than three months | 1,354 | -2,216 | 3,570 | 667 |
| Payment for purchase of securities | -997 | - | -997 | -1,497 |
| Proceeds from sale of securities | 998 | - | 998 | - |
| Proceeds from sale of tangible fixed assets | - | 11 | -11 | 13 |
| Payment for disposal of tangible fixed assets | -51 | - | -51 | - |
| Payments for purchase of tangible fixed assets | -1,575 | -1,474 | -101 | -2,492 |
| Proceeds from sale and redemption of investment securities | - | 8 | -8 | 73 |
| Payments for purchase of investment securities | -1,177 | -1,055 | -122 | -1,628 |
| Payments for purchase of intangible fixed assets | -4 | -12 | 8 | -48 |
| Proceeds from loans repaid | 1 | 4 | -2 | 6 |
| Payments for loans | - | - | - | -5 |
| Decrease (increase) in other fixed assets | -99 | 6 | -105 | 8 |
| Increase (decrease) in other fixed liabilities | 141 | -0 | 142 | -2 |
| Net cash used in investing activities | -1,408 | -4,728 | 3,320 | -4,904 |
| **III. Cash flow from financing activities** | | | | |
| Proceeds from (payment of) short-term loans | 5 | -100 | 105 | -100 |
| Proceeds from long-term loans | - | 500 | -500 | 500 |
| Payment for long-term loans | -355 | -347 | -8 | -736 |
| Payment for redemption of bonds | -50 | -50 | - | -100 |
| Dividends paid | -321 | -0 | -321 | -0 |
| Payments for purchases of treasury stock | -3 | -1 | -1 | -3 |
| Net cash used in financing activities | -725 | 0 | -725 | -439 |
| **IV. Effect of exchange rate changes on cash and cash equivalents** | -3 | 2 | -5 | 2 |
| **V. Net increase in cash and cash equivalents** | 3,313 | 1,074 | 2,239 | 6,519 |
| **VI. Cash and cash equivalents at beginning of year** | 17,792 | 11,273 | 6,519 | 11,273 |
| **VII. Cash and cash equivalents at end of interim period** | 21,105 | 12,347 | 8,758 | 17,792 |

*(Note) The difference between cash and cash equivalents at the end of the term and the amount recorded on consolidated balance sheets*

| | September 30, 2007 | | September 30, 2006 | | March 31, 2007 | |
|---|---|---|---|---|---|---|
| Cash and time deposits | 20,230 | million yen | 18,716 | million yen | 21,271 | million yen |
| Marketable securities | 4,537 | million yen | 33 | million yen | 1,537 | million yen |
| Time deposits with maturities exceeding three months | -2,164 | million yen | -6,402 | million yen | -3,519 | million yen |
| Bonds with redemption periods exceeding three months | -1,497 | million yen | - | million yen | -1,497 | million yen |
| Cash and cash equivalents at end of interim period | 21,105 | million yen | 12,347 | million yen | 17,792 | million yen |

## [Basis of Presenting Interim Consolidated Financial Statements]

**1. Scope of consolidation**

(a) The consolidated subsidiaries consist of the following seven (7) companies:

Saseho Kosan Co., Ltd., N.N.U. Co., Ltd., Tsukumo Service Co., Ltd., Sajuko Kosan Co., Ltd., Nishi-Kyushu Shoji Co., Ltd., Sasebo Juko Sekkei Co., Ltd., Sasebo Marine and Port Services Co., Ltd.

(b) Sasebo Heavy Industries (Hong Kong) Ltd. is the only non-consolidated subsidiary.

This non-consolidated subsidiary is small in size, and its total assets, sales, current term net profit or loss (amount in proportion to entity's equity) and retained earnings (amount in proportion to the entity's equity) have no significant impact on the consolidated financial statements.

**2. Application of the equity method**

(a) The number of non-consolidated subsidiaries accounted for by the equity method is one (1), which subsidiary is Sasebo Heavy Industries (Hong Kong) Ltd.

(b) Imari Wan Port Service is the only affiliate that is not accounted for under the equity method, as it has no significant impact on consolidated net income (amount in proportion to the entity's equity) and retained earnings (amount in proportion to the entity's equity) and has no significance as a whole.

(c) For subsidiaries accounted for by the equity method, Financial Statements related to the accounting periods of each company are used for those subsidiaries for which the interim account closing dates differ from the date of the interim consolidated account closing date.

**3. Consolidated subsidiary account closing dates**

The account closing dates of the consolidated subsidiaries are in accordance with the date of the consolidated account closing date.

**4. Accounting procedure standard**

(a) Evaluation standards and methods for significant assets

(1) Securities

Held-to-maturity securities – Stated at amortized cost (straight-line method).

Other securities

Securities with market value: Stated at fair market value based on market prices at the interim period end. (All valuation differences are booked directly to the net assets. Sales costs are calculated with the moving-average method.)

Securities with no market value: Stated at cost determined by the moving-average method.

(2) Derivatives: Stated by the market value method.

(3) Inventories

Raw materials and stored goods are mainly stated at cost determined by the moving-average method. Construction in process is stated at cost determined by the specific identification method.

(b) Depreciation method for significant depreciable assets.

Tangible fixed assets - The declining balance method is applied.

Intangible fixed assets - The straight-line method is applied.

(Changes in accounting policies)

In accordance with the revision of the Japanese Corporate Law (partial revision of the Corporate Tax Law, dated March 30, 2007 [Law No. 6], and the partial revision of the Income Tax Law Enforcement Ordinance, Cabinet Order No. 83, dated March 30, 2007), effective from this interim accounting period, depreciation of assets (excluding buildings) acquired on and after April 1, 2007 is calculated based on the method stipulated in the revised law. As a result, consolidated operating income, consolidated ordinary income, and net income before income taxes were recorded as ¥8 million less respectively.

Impacts on segment information are described in the relevant section.

(Additional information)

Assets acquired on and before March 31, 2007 are to be depreciated in equal installments for the 5-year period starting the year following completion of depreciation to the allowable limit. Consequently, consolidated operating income, ordinary income, and net income before income taxes were recorded as ¥81 million less respectively.

(c) Accounting for significant allowances and reserves

(1) Allowance for doubtful receivables

In preparation for possible losses arising from defaults on accounts receivables, the estimated irrecoverable amount is appropriated by the actual rate of bad loans for general credit, and by individually reviewing the collectability of specific doubtful credits where there is concern about bad loans.

(2) Accrued retirement benefits

In preparation for payments of employee retirement benefits, the estimated amount, which is thought to have incurred as of the end of this interim period, is appropriated based on projected benefit obligations and pension plan assets at the end of the consolidated accounting period. Differences that arose from changes in the accounting standard (¥4,353 million) were charged to expenses in an 8-year installment.

Past service liabilities are charged to expenses as incurred, and actuarial differences are amortized from the following consolidated fiscal year by the declining balance method over a specified period (5 years) within the average remaining service years of the employee.

(3) Allowance for guaranteed construction work

As an appropriation for the payment of guaranteed construction work, the estimated cost of the guaranteed construction work within the guarantee period is set aside and accounted for.

(4) Allowance for special repair work

As an appropriation for the payment of special repair work for ship and vessels, the estimated cost of the repair work is set aside and accounted for based on the actual results of the previous fiscal year.

(5) Allowance for losses on construction contracts

Allowance has been provided for losses on construction contracts, based on the estimated losses that are anticipated to occur in and after the second half of this fiscal year, for any undelivered construction contracts on which a loss is likely to be incurred as of the end of this interim period and where the amount of such loss can reasonably be estimated.

(d) Significant accounting policies for lease transactions

Finance lease transactions are accounted for by the method applicable to ordinary finance lease transactions, except for those where ownership of the leased property is considered to be transferred to the lessee.

(e) Significant hedge accounting method

(1) Hedge accounting method

The Group has adopted a special treatment for interest rate swap transactions, since the requirements for the treatment have been met.

(2) Hedging instruments and hedged items

| Hedging instruments | Hedged item |
|---|---|
| Interest rate swaps | Loans |

(3) Hedging policy

The Group hedges against interest rate risks in compliance with company regulations.

(4) Assessment of hedge accounting effectiveness

Assessment of hedge accounting effectiveness is omitted, since the company only handles interest rate swap transactions that qualify for special treatment.

(f) Other basis of presenting the consolidated financial statements

(1) Appropriation of earnings and expenditures

Sales are booked in accordance with the Completed Contract Method. However, the Percentage-of-Completion Method is used for any work with a contract amount exceeding ¥100 million and with a construction period exceeding one year (three months for naval ship repair work).

(2) Accounting for consumption taxes

Consumption tax and local consumption tax are accounted for based on the tax exclusion method.

**5. Evaluation of assets and liabilities of consolidated subsidiaries**

The overall market value method is adopted for evaluations of assets and liabilities of consolidated subsidiaries.

**6. Scope of funds in the consolidated cash flow statements**

The funds (cash and cash equivalents) in the consolidated cash flow statements consist of cash in hand, demand deposits, and short-term, low-risk investments redeemable within three months or less from the date of acquisition, and which can be readily converted into cash.

## Notes on the Consolidated Balance Sheet

| | End of Interim Consolidated FY2008 | End of Consolidated FY2007 |
|---|---|---|
| 1. Assets Pledged as Collateral & Liabilities related to Pledged Assets | | |
| Assets Pledged as Collateral | ¥14,284 million | ¥13,763 million |
| Liabilities related to Pledged Assets | ¥13,661million | ¥5,710 million |
| 2. Accumulated Depreciation of tangible assets | ¥36,568 million | ¥35,899 million |
| 3. Matured bills as of March 31, 2007 | | |
| Notes receivable | ¥185 million | ¥95 million |
| Notes payable | ¥379 million | ¥289 million |
| Notes payable - equipment | ¥5 million | ¥382 million |

## Notes on the Profit and Loss Statement

1. Impairment losses

During this interim consolidated period, the Sasebo Group recorded impairment losses for the following asset group:

① Outline of asset group that recorded impairment losses

| Use | Classification | Location |
|---|---|---|
| Golf course | Land and etc. | Sasebo City, Nagasaki |
| Unutilized asset | Land | Sasebo City, Nagasaki |

② Background to recognition as impairment losses

Golf course: Book value decreased to its recoverable value, since the outlook for future cash flow has worsened as a result of a decline in profits.

Unutilized asset: Book value decreased to its recoverable value as a result of a fall in market price.

③ Amount of impairment losses

The amount of ¥446 million has been recorded to extraordinary loss as impairment losses.

④ Asset grouping method

The Group, in principle, conducts asset grouping based on each business segment. Unutilized assets are handled on an individual basis.

⑤ Method used to calculate recoverable value

Recoverable value is calculated based on the net sales value, with the use of Real Estate Appraiser appraisal values.

**Notes to Consolidated Statements of Changes in Net Assets**

1. Number of shares outstanding

| Type | As of Mar. 31, 2007 | Increase | Decrease | As of Sep. 30, 2007 |
|---|---|---|---|---|
| Common stock | 161,955,000 | - | - | 161,955,000 |

2. Treasury stock

| Type | As of Mar. 31, 2007 | Increase | Decrease | As of Sep. 30, 2007 |
|---|---|---|---|---|
| Common stock | 42,789 | 5,272 | - | 48,061 |

*(Note) Treasury stock increased due to the repurchase of shares of less than one unit.*

3. Dividends

| Resolution | Type of shares | Amounts of dividends | Dividend per share | Record date | Effective date |
|---|---|---|---|---|---|
| June 28, 2007 (Annual shareholders meeting) | Common stock | ¥323 million | ¥2.0 | March 31, 2007 | June 29, 2007 |

Disclosure of notes related to lease transactions, marketable securities, and derivatives trading have been omitted, as the need for disclosure of such information in this document is not considered to be great.