

Summary of Consolidated Financial Results for the Six Months of the Fiscal Year Ending March 31, 2010

October 29, 2009

Company name: **Sasebo Heavy Industries Co., Ltd.**

Listing: Tokyo Stock Exchange 1st Section
Osaka Securities Exchange 1st Section
Fukuoka Stock Exchange

Stock code: 7007

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Scheduled date to file quarterly securities report: November 12, 2009

Scheduled date to commence dividend payments: –

Figures less than one million yen have been omitted.

1. Consolidated financial results for the six months of the fiscal year ending March 31, 2010 (From April 1, 2009 to September 30, 2009)

(1) Consolidated operating results (cumulative)

(Percentages indicate year-on-year changes.)

	Net sales		Operating income		Ordinary income		Net income	
	<i>millions of yen</i>	%	<i>millions of yen</i>	%	<i>millions of yen</i>	%	<i>millions of yen</i>	%
For the six months ended								
September 30, 2009	33,295	(12.5)	4,024	(3.0)	3,519	(17.1)	2,054	(20.5)
September 30, 2008	38,053	–	4,150	–	4,246	–	2,583	–

	Net income per share	Diluted net income per share
For the six months ended	<i>yen</i>	<i>yen</i>
September 30, 2009	12.81	–
September 30, 2008	16.10	–

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
As of	<i>millions of yen</i>	<i>millions of yen</i>	%	<i>yen</i>
September 30, 2009	84,136	23,260	27.6	144.95
March 31, 2009	84,489	21,733	25.7	135.43

Reference: Equity

As of September 30, 2009: ¥23,260 million

As of March 31, 2009: ¥21,733 million

2. Cash dividends

	Cash dividends per share				
	First quarter-end	Second quarter-end	Third quarter-end	Year-end	Total
	<i>yen</i>	<i>yen</i>	<i>yen</i>	<i>yen</i>	<i>yen</i>
For the year ended March 31, 2009	–	–	–	5.00	5.00
For the year ending March 31, 2010	–	–			
For the year ending March 31, 2010 (Forecast)			–	3.50	3.50

Note: Revision of the forecast in the second quarter of FY2010: None

3. Consolidated forecast for the fiscal year ending March 31, 2010 (From April 1, 2009 to March 31, 2010)

(Percentages indicate year-on-year changes.)

	Net sales		Operating income		Ordinary income		Net income		Net income per share
	<i>millions of yen</i>	%	<i>millions of yen</i>	%	<i>millions of yen</i>	%	<i>millions of yen</i>	%	<i>yen</i>
For the year ending March 31, 2010	65,000	(16.1)	6,500	(7.8)	6,000	(13.5)	3,500	13.2	21.81

Note: Revision of the forecast in the second quarter of FY2010: Yes

4. Others

- (1) **Significant changes in subsidiaries during the period** (changes in specified subsidiaries that affected the scope of consolidation): None
- (2) **Application of simplified accounting and special accounting for preparing the quarterly consolidated financial statements:** Yes

Note: For more details, please refer to the section of "4. Others" of "[Qualitative Information and Financial Statements]" on pages 5-6.

- (3) **Changes in accounting policies, procedures and methods of presentation for preparing the quarterly consolidated financial statements** (changes described in the section pertaining to changes in significant matters forming the basis of preparing the quarterly consolidated financial statements, if applicable)

- A. Changes due to adoption of revised accounting standards: Yes
- B. Changes due to other reasons: None

Note: For more details, please refer to the section of "4. Others" of "[Qualitative Information and Financial Statements]" on pages 5-6.

(4) Number of issued shares (common stock)

A.	Total number of issued shares at the end of the period (including treasury stock)	
	As of September 30, 2009	161,955,000 shares
	As of March 31, 2009	161,955,000 shares
B.	Number of treasury shares at the end of the period	
	As of September 30, 2009	1,477,897 shares
	As of March 31, 2009	1,474,900 shares
C.	Average number of shares during the period (cumulative from the beginning of the fiscal year)	
	For the six months ended September 30, 2009	160,478,191 shares
	For the six months ended September 30, 2008	160,485,731 shares

*** Explanation and other specific matters concerning proper use of the forecast**

All forward-looking statements in this document are based on information currently available and on certain assumptions that we consider reasonable. Actual results may vary significantly due to various factors. Regarding the assumptions in the projected results above and cautionary statements concerning the use of these projections, see “3. Qualitative information on consolidated forecast” of “[Qualitative Information and Financial Statements]” on page 5.

[Qualitative Information and Financial Statements]

1. Qualitative information on consolidated operating results

While the Japanese economy during the six months of the fiscal year ending March 31, 2010 was starting to show signs that corporate earnings have bottomed out as a result of government economic stimulus measures and the recovery in the economies of the emerging countries, the outlook for the real economy still remained unclear because of the unprecedentedly severe employment situation, increasingly high yen and other factors.

Under the above circumstances, the Sasebo Group posted consolidated orders received of ¥5,678 million, a decrease of 82.7% over the same period of the previous fiscal year. One of the factors behind this result was an absence of new shipbuilding orders due to the continued slowdown in the shipping market. The Group posted a total consolidated sales amount of ¥33,295 million, a decrease of 12.5% over the same period of the previous fiscal year, and as a result, the order backlog at the end of the six month period was ¥199,385 million, a decrease of 25.8% over the same period of the previous fiscal year. In terms of income, despite the reversal of a reserve for loss on construction contracts due to a fall in the price of steel, sales included new shipbuilding work that had low profitability conditions due to the change to a new vessel type. As a result of this and other factors, consolidated operating income was ¥4,024 million, a decrease of 3.0% from the same period of the previous fiscal year. Ordinary income was ¥3,519 million, a decrease of 17.1% due to the recording of foreign exchange losses, and net income was ¥2,054 million, a decrease of 20.5%.

Operating results by business segment are as follows:

(1) Shipbuilding

The Group posted orders received of ¥1,908 million in the shipbuilding business, a 92.7% decrease over the same period of the previous fiscal year. Included in this amount were ship repairs for commercial vessels. Net sales amounted to ¥27,559 million for new shipbuilding and ship repair work, a 12.3% decrease over the same period of the previous fiscal year. New ships delivered during the six month period totaled 5 ships: 2 units of 115,000 DWT crude oil tankers, 2 units of 115,000 DWT product tankers and 1 unit of 180,000 DWT bulk carrier. As a result, order backlog for new shipbuilding came to 29 units. In terms of income, despite the reversal of a reserve for loss on construction contracts due to a fall in the price of steel, sales included work that had low profitability conditions. As a result of this and other factors, operating income was ¥2,999 million, a decrease of 13.0% over the same period of the previous fiscal year.

(2) Machinery and steel structure

The Group posted orders received of ¥3,238 million for its machinery and steel structure business, a 45.5% decrease over the same period of the previous fiscal year, representing 64 orders of equipment-related work such as marine equipment and general industrial machinery and 7 orders of steel structure construction. Net sales amounted to ¥5,203 million, a 14.2% decrease over the same period of the previous fiscal year. In terms of income, although profit decreased in the machinery business due to a decline in net sales, profitability was improved in the steel structure business by reducing fixed costs. As a result, operating income was ¥1,552 million, a 7.3% increase over the same period of the previous fiscal year.

(3) Others

Other business segments are comprised mainly of transport business, etc. The Group posted orders received of ¥532 million, a 6.1% decrease over the same period of the previous fiscal year. Net sales amounted to ¥532 million, a 6.1% decrease over the same period of the previous fiscal year. Operating income was ¥37 million, a 52.4% decrease over the same period of the previous fiscal year.

2. Qualitative information on consolidated financial position

(1) Assets

Current assets were ¥48,789 million, a decrease of ¥1,858 million from the previous fiscal year-end. This was mainly due to a decrease in accounts receivable-trade, despite an increase in cash and deposits due to the borrowing to procure funds for capital investment. Non-current assets were ¥35,346 million, an increase of ¥1,505 million from the previous fiscal year-end. This was mainly due to an increase in property, plant and equipment by capital investment.

As a result, total assets were ¥84,136 million, a decrease of ¥352 million from the previous fiscal year-end.

(2) Liabilities

Current liabilities were ¥46,032 million, a decrease of ¥8,174 million from the previous fiscal year-end. This was mainly because of decreases in the reserve for loss on construction contracts and notes and accounts payable-trade due to a fall in the price of steel, despite an increase in short-term loans payable to procure short-term operating funds. Non-current liabilities were ¥14,843 million, an increase of ¥6,294 million from the previous fiscal year-end. This was mainly due to an increase in long-term loans payable by procurement of funds for capital investment.

As a result, total liabilities were ¥60,875 million, a decrease of ¥1,880 million from the previous fiscal year-end.

(3) Net assets

Total net assets were ¥23,260 million, an increase of ¥1,527 million from the previous fiscal year-end, mainly as a result of an increase in retained earnings due to the inclusion of net income for the quarterly period.

3. Qualitative information on consolidated forecast

As a result of a fall in prices of materials and equipment, particularly the price of steel and the cost reductions achieved through productivity improvement, operating income, ordinary income and net income are expected to increase. The Company, as of today, October 29, 2009, has revised the forecast for the fiscal year ending March 31, 2010 from the figures announced on May 15, 2009 when the Company announced the financial results for the fiscal year ended March 31, 2009. Any future change will be appropriately disclosed.

4. Others

(1) Significant changes in subsidiaries during the period (changes in specified subsidiaries that affected the scope of consolidation)

No items to report

(2) Application of simplified accounting and special accounting for preparing the quarterly consolidated financial statements

[Application of simplified accounting]

Calculation method of income taxes, deferred tax assets and deferred tax liabilities

The calculation of the income tax payment amount is effectuated based on the method in which the addition and subtraction items and tax deduction items are limited to the important items only.

Pertaining to the determination of the recoverability of deferred tax assets, because of the recognition of the absence of any material changes in business environment and other factors and in temporary differences or other events occurring after the end of the previous fiscal year, the

financial forecast and tax planning used in the previous consolidated fiscal year are used.

[Application of special accounting for preparing the quarterly consolidated financial statements]

No items to report

(3) Changes in accounting policies, procedures and methods of presentation for preparing the quarterly consolidated financial statements

[Changes in accounting standards for recording construction revenue and cost of construction]

Previously, revenue from construction contracts was accounted for by the percentage-of-completion method for projects lasting more than one year (more than three months for vessel repair operations) and with a contract amount of ¥100 million or more. Other projects were accounted for by the completed-contract method. However, from the first quarter of the current fiscal year, the "Accounting Standard for Construction Contracts" (ASBJ Statement No. 15, December 27, 2007) and the "Guidance on Accounting Standard for Construction Contracts" (ASBJ Guidance No. 18, December 27, 2007), are adopted and, concerning the completed portion by the end of the second quarter of all construction contracts including contracts existing at the beginning of the first quarter, the percentage-of-completion method is applied if the outcome of the construction activity is deemed certain (percentage of completion estimated by the cost-ratio method), otherwise the completed-contract method is applied.

Please note that net sales, gross profit, operating income, ordinary income and income before income taxes were not affected by this change.

5. Consolidated financial statements
(1) Consolidated balance sheets

(in millions of yen, unless otherwise noted)

	As of September 30, 2009	As of March 31, 2009 (Summary)
Assets		
Current assets		
Cash and deposits	19,543	16,858
Notes and accounts receivable—trade	21,580	25,732
Marketable securities	40	1,040
Merchandise and finished goods	17	15
Work in process	1,993	2,127
Raw materials and supplies	780	1,240
Deferred tax assets	837	1,748
Other current assets	4,001	1,891
Allowance for doubtful receivables	(6)	(6)
Total current assets	48,789	50,647
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	9,630	8,484
Land	7,090	7,084
Other, net	11,240	11,038
Total property, plant and equipment	27,961	26,607
Intangible assets	176	211
Investments and other assets		
Investment securities	3,747	3,888
Others	3,732	3,416
Allowance for doubtful receivables	(271)	(281)
Total investments and other assets	7,208	7,022
Total non-current assets	35,346	33,841
Total assets	84,136	84,489

(in millions of yen, unless otherwise noted)

	As of September 30, 2009	As of March 31, 2009 (Summary)
Liabilities		
Current liabilities		
Notes and accounts payable—trade	18,782	24,244
Notes payable for equipment	1,438	1,476
Short-term loans payable	4,347	2,514
Accrued income taxes	530	1,839
Advance received	19,370	18,918
Reserve for guaranteed contracts	65	54
Reserve for loss on construction contracts	147	2,442
Other current liabilities	1,351	2,717
Total current liabilities	46,032	54,206
Non-current liabilities		
Long-term loans payable	7,719	1,488
Deferred tax liabilities	0	0
Reserve for retirement benefits	6,751	6,678
Reserve for special repairs	31	27
Other non-current liabilities	341	354
Total non-current liabilities	14,843	8,549
Total liabilities	60,875	62,755
Net assets		
Shareholders' equity		
Common stock	8,414	8,414
Capital surplus	5,148	5,148
Retained earnings	10,498	9,245
Treasury stock	(976)	(975)
Total shareholders' equity	23,084	21,832
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	176	(99)
Total valuation and translation adjustments	176	(99)
Total net assets	23,260	21,733
Total liabilities and net assets	84,136	84,489

(2) Consolidated statements of income (cumulative)*(in millions of yen, unless otherwise noted)*

	For the six months ended September 30, 2008	For the six months ended September 30, 2009
Net sales	38,053	33,295
Costs of sales	32,537	27,854
Gross profit	5,515	5,440
Selling, general and administrative expenses	1,364	1,416
Operating income	4,150	4,024
Non-operating income		
Interest and dividend income	116	51
Foreign exchange gains	73	–
Other	61	26
Total non-operating income	250	77
Non-operating expenses		
Interest expenses	95	114
Foreign exchange losses	–	413
Other	59	55
Total non-operating expenses	155	583
Ordinary income	4,246	3,519
Extraordinary income		
Gain on sales of non-current assets	296	0
Reversal of allowance for doubtful receivables	19	1
Other	–	0
Total extraordinary income	315	2
Extraordinary loss		
Loss on sales of non-current assets	194	1
Loss on disposal of non-current assets	64	49
Loss on valuation of investment securities	43	34
Other	0	–
Total extraordinary losses	303	85
Income before income taxes	4,258	3,436
Income taxes—current	1,779	498
Income taxes—deferred	(105)	882
Total income taxes	1,674	1,381
Net income	2,583	2,054

Consolidated statements of income (three months)

(in millions of yen, unless otherwise noted)

	For the second quarter of the previous fiscal year (From July 1, 2008 to September 30, 2008)	For the second quarter of the current fiscal year (From July 1, 2009 to September 30, 2009)
Net sales	18,347	15,636
Costs of sales	15,611	11,502
Gross profit	2,735	4,133
Selling, general and administrative expenses	721	726
Operating income	2,014	3,407
Non-operating income		
Interest and dividend income	37	11
Other	46	8
Total non-operating income	84	19
Non-operating expenses		
Interest expenses	47	65
Foreign exchange losses	32	302
Other	55	50
Total non-operating expenses	135	418
Ordinary income	1,963	3,008
Extraordinary income		
Gain on sales of non-current assets	234	0
Reversal of allowance for doubtful receivables	–	0
Other	–	0
Total extraordinary income	234	0
Extraordinary loss		
Loss on sales of non-current assets	194	0
Loss on disposal of non-current assets	37	35
Loss on valuation of investment securities	40	34
Total extraordinary losses	273	69
Income before income taxes	1,924	2,939
Income taxes—current	919	307
Income taxes—deferred	(165)	864
Total income taxes	754	1,172
Net income	1,170	1,767

(3) Consolidated statements of cash flows

(in millions of yen, unless otherwise noted)

	For the six months ended September 30, 2008	For the six months ended September 30, 2009
Cash flows from operating activities		
Income before income taxes	4,258	3,436
Depreciation and amortization	1,051	1,593
Increase (decrease) in allowance for doubtful receivables	(78)	(10)
Increase (decrease) in reserve for loss on construction contracts	181	(2,295)
Increase (decrease) in reserve for retirement benefits	189	72
Increase (decrease) in reserve for guaranteed contracts	(25)	11
Increase (decrease) in reserve for special repairs	(8)	4
Interest and dividend income	(116)	(51)
Interest expenses	95	114
Foreign exchange losses (gains)	(69)	0
Loss (gain) on sales of non-current assets	(101)	0
Loss (gain) on disposal of non-current assets	64	49
Loss (gain) on valuation of investment securities	43	34
Decrease (increase) in notes and accounts receivable—trade	(1,663)	4,152
Decrease (increase) in inventories	(455)	590
Decrease (increase) in consumption taxes refund receivable	(445)	(225)
Decrease (increase) in other current assets	(98)	(1,710)
Increase (decrease) in notes and accounts payable—trade	2,039	(4,777)
Increase (decrease) in advance received	(1,420)	452
Increase (decrease) in other current liabilities	(1,221)	(1,392)
Others	208	(163)
Subtotal	2,428	(113)
Interest and dividends received	129	53
Interest paid	(87)	(103)
Income taxes paid	(32)	(1,815)
Net cash provided by (used in) operating activities	2,437	(1,979)

(in millions of yen, unless otherwise noted)

	For the six months ended September 30, 2008	For the six months ended September 30, 2009
Cash flows from investing activities		
Proceeds from withdrawal of time deposits	1,535	–
Payments into time deposits	(500)	–
Purchase of short-term investment securities	(1,000)	–
Proceeds from sales and redemption of securities	500	1,000
Payments for retirement of property, plant and equipment	(20)	(34)
Purchase of property, plant and equipment	(3,368)	(3,646)
Proceeds from sales of property, plant and equipment	1,291	2
Purchase of intangible assets	(2)	(0)
Purchase of investment securities	(646)	–
Proceeds from sales and redemption of investment securities	510	500
Payments of loans receivable	–	(2)
Collection of loans receivable	1	0
Others	15	(409)
Net cash used in investing activities	(1,683)	(2,590)
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	900	1,478
Proceeds from long-term loans	–	6,940
Repayment of long-term loans	(804)	(354)
Payments for redemption of bonds	(50)	–
Dividends paid	(795)	(793)
Payments for purchases of treasury stock	(0)	(0)
Others	(4)	(12)
Net cash provided by (used in) financing activities	(755)	7,257
Effect of exchange rate changes on cash and cash equivalents	36	(0)
Increase (decrease) in cash and cash equivalents	34	2,685
Cash and cash equivalents at beginning of period	17,807	16,898
Cash and cash equivalents at end of period	17,842	19,584

(4) Notes on premise of going concern

No items to report

(5) Segment information

[Information by business segment]

For the six months ended September 30, 2008

(in millions of yen)

	Shipbuilding	Machinery	Steel structure	Others	Total	Elimination and corporate	Consolidated
Net sales							
(1) Outside customers	31,424	3,879	2,182	566	38,053	–	38,053
(2) Inter-segment sales and transfers	–	–	591	815	1,406	(1,406)	–
Total	31,424	3,879	2,773	1,382	39,459	(1,406)	38,053
Operating income (loss)	3,448	1,765	(318)	78	4,974	(823)	4,150

(Notes) 1. Businesses are segmented taking into consideration the similarities in the types and nature of products and their manufacturing and sales methods as well as the income tabulation classification, related assets, etc.

2. Main products of each business segment:

- (1) Shipbuilding: Building, repair, and conversion of oil tankers, bulk carriers, coal carriers, ore carriers, log carriers, LPG vessels, container carriers, naval ships, marine research vessels, etc.
- (2) Machinery: Steel making and processing machinery, press machinery, heat exchangers, pressure vessels, towers/vessels, boilers for marine use, marine machinery such as fin stabilizers, crankshafts and marine diesel machinery parts, rudders
- (3) Steel structure: Bridges, floating pontoons, hydraulic gates, steel penstocks, steel frames, cable cranes, steel pools, marine structures such as pontoons/caissons
- (4) Others: Transportation service, facility management, golf course, agencies, others

For the six months ended September 30, 2009

(in millions of yen)

	Shipbuilding	Machinery and steel structure	Others	Total	Elimination and corporate	Consolidated
Net sales						
(1) Outside customers	27,559	5,203	532	33,295	–	33,295
(2) Inter-segment sales and transfers	–	562	878	1,440	(1,440)	–
Total	27,559	5,765	1,410	34,736	(1,440)	33,295
Operating income	2,999	1,552	37	4,590	(565)	4,024

(Notes) 1. Businesses are segmented taking into consideration the similarities in the types and nature of products and their manufacturing and sales methods as well as the income tabulation classification, related assets, etc.

2. Main products of each business segment:

- (1) Shipbuilding: Building, repair, and conversion of oil tankers, bulk carriers, coal carriers, ore carriers, log carriers, LPG vessels, container carriers, naval ships, marine research vessels, etc.
- (2) Machinery and steel structure: Steel making and processing machinery, press machinery, heat exchangers, pressure vessels, towers/vessels, boilers for marine use, marine machinery such as fin stabilizers, crankshafts and marine diesel machinery parts, rudders, bridges, floating pontoons, hydraulic gates, steel penstocks, steel frames, cable cranes, steel pools, marine structures such as pontoons/caissons
- (3) Others: Transportation service, facility management, golf course, agencies, others

3. Additional information

The Company decided by resolution at its Board of Directors held on March 26, 2009, to withdraw from the bridges business, the mainstay product of the steel structure segment. The estimated time of withdrawal is around March 2010, which is when the construction backlog is scheduled to be completed. Because this business comprises only activities to finish the construction backlog, the materiality of amounts have considerably dropped and it is no longer the size at which segment information is independently presented. Steel structure business other than the bridges business will be merged with the existing machinery business which shares similarities with respect to products and manufacturing method, and will continue. As of April 1, 2009, Machinery & Steel Structure Division was newly established. As a result, the previous business segments of "Shipbuilding," "Machinery," "Steel structure," and "Others," have been changed to "Shipbuilding," "Machinery and steel structure," and "Others." Net sales to outside customers, inter-segment sales and transfers and operating income for "Steel structure" which is now included in "Machinery and steel structure" was ¥1,772 million, ¥562 million and ¥76 million, respectively.

[Information by geographic segment]

For the six months ended September 30, 2008

Not indicated because no overseas consolidated subsidiaries or branch offices existed.

For the six months ended September 30, 2009

Not indicated because no overseas consolidated subsidiaries or branch offices existed.

[Overseas sales]

For the six months ended September 30, 2008

	Asia	Central America	Africa	Others	Total
I. Overseas net sales (millions of yen)	16,698	12,117	147	389	29,352
II. Consolidated net sales (millions of yen)	–	–	–	–	38,053
III. Percentage of overseas net sales to consolidated net sales (%)	43.9	31.8	0.4	1.0	77.1

(Notes) 1. The classification of countries or regions is based on geographical proximity.

2. Main countries and regions affiliated to each classification:

(1) Asia: Hong Kong, Singapore, South Korea, the Philippines, Taiwan

(2) Central America: Panama, Bahamas

(3) Africa: Liberia

(4) Others: USA

3. "Overseas net sales" are the net sales of the Company and its consolidated subsidiaries in countries or regions outside Japan.

For the six months ended September 30, 2009

	Asia	Central America	Africa	Others	Total
I. Overseas net sales (millions of yen)	17,220	2,744	3,261	785	24,012
II. Consolidated net sales (millions of yen)	–	–	–	–	33,295
III. Percentage of overseas net sales to consolidated net sales (%)	51.7	8.2	9.8	2.4	72.1

(Notes) 1. The classification of countries or regions is based on geographical proximity.

2. Main countries and regions affiliated to each classification:

(1) Asia: Hong Kong, Singapore, the Philippines

(2) Central America: Panama

(3) Africa: Liberia

(4) Others: USA, UK, New Zealand, the Marshall Islands, Germany

3. "Overseas net sales" are the net sales of the Company and its consolidated subsidiaries in countries or regions outside Japan.

(6) Notes on significant changes in the amount of shareholders' equity

No items to report

6. Other information

Production, Orders Received and Sales

(1) Production

(in millions of yen, unless otherwise noted)

	For the six months ended September 30, 2009		For the six months ended September 30, 2008		Change	
	Amount	%	Amount	%	Amount	%
Shipbuilding	29,497	86.2	30,158	82.6	(661)	(2.2)
Machinery and steel structure	4,180	12.2	5,798	15.9	(1,617)	(27.9)
Others	532	1.6	566	1.5	(34)	(6.1)
Total	34,209	100.0	36,523	100.0	(2,313)	(6.3)

(2) Orders received

(in millions of yen, unless otherwise noted)

	For the six months ended September 30, 2009		For the six months ended September 30, 2008		Change	
	Amount	%	Amount	%	Amount	%
Shipbuilding	1,908	33.6	26,279	80.2	(24,371)	(92.7)
Machinery and steel structure	3,238	57.0	5,936	18.1	(2,697)	(45.5)
Others	532	9.4	566	1.7	(34)	(6.1)
Total	5,678	100.0	32,782	100.0	(27,104)	(82.7)

(3) Order backlog

(in millions of yen, unless otherwise noted)

	As of September 30, 2009		As of September 30, 2008		Change	
	Amount	%	Amount	%	Amount	%
Shipbuilding	188,163	94.4	253,254	94.2	(65,091)	(25.7)
Machinery and steel structure	11,222	5.6	15,538	5.8	(4,316)	(27.8)
Others	–	–	–	–	–	–
Total	199,385	100.0	268,793	100.0	(69,407)	(25.8)

(Note) Order backlog is described by the completed-contract method. Of order backlog amounts as of September 30, 2009, ¥18,467 million for shipbuilding and ¥4,739 million for machinery and steel structure and, of those as of September 30, 2008, ¥31,672 million for shipbuilding and ¥3,209 million for machinery and steel structure are recorded as sales by the percentage of completion method.

(4) Sales

(in millions of yen, unless otherwise noted)

	For the six months ended September 30, 2009		For the six months ended September 30, 2008		Change	
	Amount	%	Amount	%	Amount	%
Shipbuilding	27,559	82.8	31,424	82.6	(3,864)	(12.3)
Machinery and steel structure	5,203	15.6	6,062	15.9	(858)	(14.2)
Others	532	1.6	566	1.5	(34)	(6.1)
Total	33,295	100.0	38,053	100.0	(4,757)	(12.5)