

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

January 28, 2010

Company name: **Sasebo Heavy Industries Co., Ltd.**  
 Listing: Tokyo Stock Exchange 1st Section  
 Osaka Securities Exchange 1st Section  
 Fukuoka Stock Exchange  
 Stock code: 7007  
 URL: <http://www.ssk-sasebo.co.jp>  
 Representative: Hidekazu Morishima/President  
 Inquiries: Tetsuo Takeda/General Manager of General Affairs Department  
 TEL: +81-3-6861-7312

Scheduled date to file quarterly securities report: February 12, 2010  
 Scheduled date to commence dividend payments: –

*Figures less than one million yen have been omitted.*

### 1. Consolidated financial results for the nine months of the fiscal year ending March 31, 2010 (From April 1, 2009 to December 31, 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 nine months ended								
December 31, 2009	49,524	(12.9)	5,772	2.1	5,279	(6.7)	3,106	(4.6)
December 31, 2008	56,875	–	5,655	–	5,659	–	3,255	–

	Net income per share	Diluted net income per share
For the nine months ended	<i>yen</i>	<i>yen</i>
December 31, 2009	19.36	–
December 31, 2008	20.28	–

#### (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>
December 31, 2009	86,756	24,392	28.1	152.00
March 31, 2009	84,489	21,733	25.7	135.43

Reference: Equity

As of December 31, 2009: ¥24,392 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 third 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 third quarter of FY2010: None

## 4. Others

(1) **Changes in significant 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 December 31, 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 December 31, 2009	1,478,347 shares
	As of March 31, 2009	1,474,990 shares
C.	Average number of outstanding shares during the period (cumulative from the beginning of the fiscal year)	
	For the nine months ended December 31, 2009	160,477,728 shares
	For the nine months ended December 31, 2008	160,485,023 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 nine 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 remained unclear because of the employment situation, foreign exchange trends and other factors still being under severe conditions and deflation being declared for the first time in three years.

Under the above circumstances, the Sasebo Group posted consolidated orders received of ¥8,639 million, a decrease of 77.4% 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 ¥49,524 million, a decrease of 12.9% over the same period of the previous fiscal year, and as a result, the order backlog at the end of the nine month period was ¥191,067 million, a decrease of 23.9% over the same period of the previous fiscal year. In terms of income, although the recorded sales included new shipbuilding work that had low profitability conditions due to the change to a new vessel type, profitability was improved in the steel structure business as a result of withdrawing from the bridges business which had been unprofitable. As a result of this and other factors, consolidated operating income was ¥5,772 million, an increase of 2.1% from the same period of the previous fiscal year. Ordinary income was ¥5,279 million, a decrease of 6.7% due to the recording of foreign exchange losses, and net income was ¥3,106 million, a decrease of 4.6%.

Operating results by business segment are as follows:

#### (1) Shipbuilding

The Group posted orders received of ¥3,505 million in the shipbuilding business, an 88.0% decrease over the same period of the previous fiscal year. Included in this amount were ship repairs for commercial vessels. Net sales amounted to ¥41,196 million for new shipbuilding and ship repair work, a 12.5% decrease over the same period of the previous fiscal year. New ships delivered during the nine month period totaled 6 ships: 2 units of 115,000 DWT crude oil tankers, 2 units of 115,000 DWT product tankers and 2 units of 180,000 DWT bulk carrier. As a result, order backlog for new shipbuilding came to 28 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 ¥4,364 million, a decrease of 8.3% over the same period of the previous fiscal year.

#### (2) Machinery and steel structure

The Group posted orders received of ¥4,342 million for its machinery and steel structure business, a 47.7% decrease over the same period of the previous fiscal year, representing 105 orders of equipment-related work such as marine equipment and general industrial machinery and 15 orders of steel structure construction. Net sales amounted to ¥7,536 million, a 15.4% 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 due to the withdrawal from the bridges business that had been unprofitable. As a result, operating income was ¥2,239 million, a 4.4% 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 ¥791 million, an 8.2% decrease over the same period of the previous fiscal year. Net sales amounted to ¥791 million, an 8.2% decrease over the same period of the previous fiscal year. Operating income was ¥64 million, a 47.3% decrease over the same period of the previous fiscal year.

## 2. Qualitative information on consolidated financial position

### (1) Assets

Current assets were ¥51,182 million, an increase of ¥534 million from the previous fiscal year-end. This was mainly due to an increase in cash and deposits due to the borrowing to procure funds for investment in plant and equipment, despite a decrease in accounts receivable-trade. Non-current assets were ¥35,574 million, an increase of ¥1,732 million from the previous fiscal year-end. This was mainly due to an increase in property, plant and equipment by investment.

As a result, total assets were ¥86,756 million, an increase of ¥2,267 million from the previous fiscal year-end.

### (2) Liabilities

Current liabilities were ¥46,022 million, a decrease of ¥8,183 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 for the purpose of procuring short-term operating funds. Non-current liabilities were ¥16,341 million, an increase of ¥7,792 million from the previous fiscal year-end. This was mainly due to an increase in long-term loans payable for the purpose of procuring funds for investment in plant and equipment.

As a result, total liabilities were ¥62,364 million, a decrease of ¥391 million from the previous fiscal year-end.

### (3) Net assets

Total net assets were ¥24,392 million, an increase of ¥2,658 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

Although predicting potential impacts on the Group's future performance such as the purchase price trend for steel and other materials and equipment and other continues to be difficult, the consolidated operating results for the third quarter of the current fiscal year was in line with the Group's plan. Consequently, there are no changes to the forecast for the fiscal year ending March 31, 2010, announced on October 29, 2009 when the Company announced the financial results. Any future change will be appropriately disclosed.

## 4. Others

### (1) Changes in significant 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 third 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 December 31, 2009	As of March 31, 2009 (Summary)
Assets		
Current assets		
Cash and deposits	23,326	16,858
Notes and accounts receivable—trade	22,596	25,732
Marketable securities	40	1,040
Merchandise and finished goods	17	15
Work in process	1,947	2,127
Raw materials and supplies	618	1,240
Deferred tax assets	417	1,748
Other current assets	2,224	1,891
Allowance for doubtful receivables	(6)	(6)
Total current assets	51,182	50,647
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	9,573	8,484
Land	7,553	7,084
Other, net	11,165	11,038
Total property, plant and equipment	28,292	26,607
Intangible assets	162	211
Investments and other assets		
Investment securities	3,867	3,888
Others	3,522	3,416
Allowance for doubtful receivables	(271)	(281)
Total investments and other assets	7,118	7,022
Total non-current assets	35,574	33,841
Total assets	86,756	84,489

(in millions of yen, unless otherwise noted)

	As of December 31, 2009	As of March 31, 2009 (Summary)
Liabilities		
Current liabilities		
Notes and accounts payable—trade	19,506	24,244
Notes payable for equipment	1,623	1,476
Short-term loans payable	4,987	2,514
Accrued income taxes	103	1,839
Advance received	17,764	18,918
Reserve for guaranteed contracts	65	54
Reserve for loss on construction contracts	46	2,442
Other current liabilities	1,926	2,717
Total current liabilities	46,022	54,206
Non-current liabilities		
Long-term loans payable	9,196	1,488
Deferred tax liabilities	1	0
Reserve for retirement benefits	6,784	6,678
Reserve for special repairs	36	27
Other non-current liabilities	323	354
Total non-current liabilities	16,341	8,549
Total liabilities	62,364	62,755
Net assets		
Shareholders' equity		
Common stock	8,414	8,414
Capital surplus	5,148	5,148
Retained earnings	11,550	9,245
Treasury stock	(976)	(975)
Total shareholders' equity	24,135	21,832
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	256	(99)
Total valuation and translation adjustments	256	(99)
Total net assets	24,392	21,733
Total liabilities and net assets	86,756	84,489



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

	For the nine months ended December 31, 2008	For the nine months ended December 31, 2009
Net sales	56,875	49,524
Costs of sales	49,077	41,671
Gross profit	7,797	7,852
Selling, general and administrative expenses	2,141	2,079
Operating income	5,655	5,772
Non-operating income		
Interest and dividend income	179	74
Other	94	80
Total non-operating income	274	155
Non-operating expenses		
Interest expenses	141	185
Foreign exchange losses	62	401
Other	66	61
Total non-operating expenses	270	648
Ordinary income	5,659	5,279
Extraordinary income		
Gain on sales of non-current assets	297	20
Reversal of allowance for doubtful receivables	23	0
Other	1	0
Total extraordinary income	322	22
Extraordinary loss		
Loss on sales of non-current assets	194	17
Loss on disposal of non-current assets	123	18
Loss on valuation of investment securities	174	41
Other	79	16
Total extraordinary losses	571	94
Income before income taxes	5,410	5,206
Income taxes—current	2,041	784
Income taxes—deferred	113	1,316
Total income taxes	2,155	2,100
Net income	3,255	3,106

### (3) Consolidated statements of cash flows

*(in millions of yen, unless otherwise noted)*

	For the nine months ended December 31, 2008	For the nine months ended December 31, 2009
Cash flows from operating activities		
Income before income taxes	5,410	5,206
Depreciation and amortization	1,771	2,542
Increase (decrease) in allowance for doubtful receivables	(82)	(10)
Increase (decrease) in reserve for loss on construction contracts	(43)	(2,396)
Increase (decrease) in reserve for retirement benefits	259	105
Increase (decrease) in reserve for guaranteed contracts	(25)	11
Increase (decrease) in reserve for special repairs	(5)	9
Interest and dividend income	(179)	(74)
Interest expenses	141	185
Foreign exchange losses (gains)	63	0
Loss (gain) on sales of non-current assets	(103)	(2)
Loss (gain) on disposal of non-current assets	123	18
Loss (gain) on valuation of investment securities	174	41
Loss on valuation of other investments	5	–
Decrease (increase) in notes and accounts receivable—trade	58	3,136
Decrease (increase) in inventories	(958)	799
Decrease (increase) in consumption taxes refund receivable	153	194
Decrease (increase) in other current assets	14	(245)
Increase (decrease) in notes and accounts payable—trade	5,317	(3,669)
Increase (decrease) in advance received	(3,540)	(1,154)
Increase (decrease) in other current liabilities	(1,341)	(828)
Others	129	(55)
Subtotal	7,344	3,814
Interest and dividends received	187	73
Interest paid	(154)	(162)
Income taxes paid	(76)	(2,530)
Net cash provided by operating activities	7,300	1,195

(in millions of yen, unless otherwise noted)

	For the nine months ended December 31, 2008	For the nine months ended December 31, 2009
Cash flows from investing activities		
Proceeds from withdrawal of time deposits	1,535	–
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	(46)	(13)
Purchase of property, plant and equipment	(4,962)	(5,129)
Proceeds from sales of property, plant and equipment	1,291	47
Purchase of intangible assets	(31)	(4)
Purchase of investment securities	(1,103)	–
Proceeds from sales and redemption of investment securities	530	500
Payments of loans receivable	–	(2)
Collection of loans receivable	2	1
Others	(7)	(492)
Net cash used in investing activities	(3,291)	(4,093)
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	1,740	1,640
Proceeds from long-term loans	500	9,140
Repayment of long-term loans	(1,023)	(598)
Payments for redemption of bonds	(50)	–
Dividends paid	(797)	(794)
Payments for purchases of treasury stock	(1)	(0)
Others	(7)	(18)
Net cash provided by financing activities	360	9,367
Effect of exchange rate changes on cash and cash equivalents	(97)	(0)
Increase (decrease) in cash and cash equivalents	4,272	6,468
Cash and cash equivalents at beginning of period	17,807	16,898
Cash and cash equivalents at end of period	22,080	23,367

#### (4) Notes on premise of going concern

No items to report

#### (5) Segment information

[Information by business segment]

For the nine months ended December 31, 2008

(in millions of yen)

	Shipbuilding	Machinery	Steel structure	Others	Total	Elimination and corporate	Consolidated
Net sales							
(1) Outside customers	47,100	5,706	3,205	862	56,875	–	56,875
(2) Inter-segment sales and transfers	–	–	1,336	1,222	2,559	(2,559)	–
Total	47,100	5,706	4,542	2,085	59,434	(2,559)	56,875
Operating income (loss)	4,760	2,555	(411)	122	7,027	(1,371)	5,655

(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 nine months ended December 31, 2009

(in millions of yen)

	Shipbuilding	Machinery and steel structure	Others	Total	Elimination and corporate	Consolidated
Net sales						
(1) Outside customers	41,196	7,536	791	49,524	–	49,524
(2) Inter-segment sales and transfers	–	805	1,299	2,104	(2,104)	–
Total	41,196	8,341	2,090	51,629	(2,104)	49,524
Operating income	4,364	2,239	64	6,667	(895)	5,772

(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 ¥2,273 million, ¥805 million and ¥139 million, respectively.

[Information by geographic segment]

For the nine months ended December 31, 2008

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

For the nine months ended December 31, 2009

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

[Overseas sales]

For the nine months ended December 31, 2008

	Asia	Central America	Africa	Others	Total
I. Overseas net sales ( <i>millions of yen</i> )	20,365	22,947	584	750	44,648
II. Consolidated net sales ( <i>millions of yen</i> )	–	–	–	–	56,875
III. Percentage of overseas net sales to consolidated net sales (%)	35.8	40.4	1.0	1.3	78.5

(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, Republic of Cyprus, Sweden

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

For the nine months ended December 31, 2009

	Asia	Central America	Africa	Others	Total
I. Overseas net sales ( <i>millions of yen</i> )	28,662	2,970	4,607	957	37,197
II. Consolidated net sales ( <i>millions of yen</i> )	–	–	–	–	49,524
III. Percentage of overseas net sales to consolidated net sales (%)	57.9	6.0	9.3	1.9	75.1

(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, Greece

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 nine months ended December 31, 2009		For the nine months ended December 31, 2008		Change	
	Amount	%	Amount	%	Amount	%
Shipbuilding	40,391	85.4	46,648	82.6	(6,256)	(13.4)
Machinery and steel structure	6,113	12.9	8,951	15.9	(2,838)	(31.7)
Others	791	1.7	862	1.5	(71)	(8.2)
Total	47,296	100.0	56,462	100.0	(9,166)	(16.2)

#### (2) Orders received

(in millions of yen, unless otherwise noted)

	For the nine months ended December 31, 2009		For the nine months ended December 31, 2008		Change	
	Amount	%	Amount	%	Amount	%
Shipbuilding	3,505	40.6	29,133	76.1	(25,627)	(88.0)
Machinery and steel structure	4,342	50.3	8,299	21.7	(3,956)	(47.7)
Others	791	9.1	862	2.2	(71)	(8.2)
Total	8,639	100.0	38,295	100.0	(29,655)	(77.4)

#### (3) Order backlog

(in millions of yen, unless otherwise noted)

	As of December 31, 2009		As of December 31, 2008		Change	
	Amount	%	Amount	%	Amount	%
Shipbuilding	181,008	94.7	236,171	94.1	(55,163)	(23.4)
Machinery and steel structure	10,059	5.3	14,913	5.9	(4,854)	(32.6)
Others	–	–	–	–	–	–
Total	191,067	100.0	251,085	100.0	(60,017)	(23.9)

(Note) Order backlog is described by the completed-contract method. Of order backlog amounts as of December 31, 2009, ¥23,352 million for shipbuilding and ¥4,804 million for machinery and steel structure and, of those as of December 31, 2008, ¥28,068 million for shipbuilding and ¥3,071 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 nine months ended December 31, 2009		For the nine months ended December 31, 2008		Change	
	Amount	%	Amount	%	Amount	%
Shipbuilding	41,196	83.2	47,100	82.8	(5,904)	(12.5)
Machinery and steel structure	7,536	15.2	8,911	15.7	(1,375)	(15.4)
Others	791	1.6	862	1.5	(71)	(8.2)
Total	49,524	100.0	56,875	100.0	(7,351)	(12.9)