

**Summary of Consolidated Financial Results  
for the First Six Months of the Fiscal Year Ending March 31, 2011  
<under Japanese GAAP>**

October 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

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Scheduled date to file quarterly securities report: November 11, 2010

Scheduled date to commence dividend payments: –

Preparation of supplementary material on quarterly financial results: None

Holding of quarterly financial results presentation meeting: None

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

**1. Consolidated financial results for the first six months of the fiscal year ending  
March 31, 2011 (From April 1, 2010 to September 30, 2010)**

**(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, 2010	22,214	(33.3)	2,671	(33.6)	2,457	(30.2)	2,713	32.0
September 30, 2009	33,295	(12.5)	4,024	(3.0)	3,519	(17.1)	2,054	(20.5)

	Net income per share	Diluted net income per share
For the six months ended	<i>yen</i>	<i>yen</i>
September 30, 2010	16.91	–
September 30, 2009	12.81	–

**(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, 2010	80,850	26,696	33.0	166.36
March 31, 2010	80,840	25,126	31.1	156.57

Reference: Equity

As of September 30, 2010: ¥26,696 million

As of March 31, 2010: ¥25,126 million

## 2. Cash dividends

	Annual dividends				
	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, 2010	–	–	–	4.00	4.00
For the year ending March 31, 2011	–	–			
For the year ending March 31, 2011 (Forecast)			–	5.00	5.00

Note: Revision of the forecast in the current quarter: None

## 3. Consolidated forecast for the fiscal year ending March 31, 2011 (From April 1, 2010 to March 31, 2011)

*(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, 2011	65,000	2.1	6,000	(25.3)	5,700	(23.0)	5,000	33.9	31.16

Note: Revision of the forecast in the current quarter: None

## 4. **Others** (For details, please refer to “Other information” on page 7 of the Attached Materials)

### (1) **Changes in significant subsidiaries during the current quarter:** None

*Note: Changes in specified subsidiaries that affected the scope of consolidation during the current quarter*

### (2) **Application of simplified accounting and special accounting:** Yes

*Note: Application of simplified accounting and special accounting for preparing the quarterly consolidated financial statements*

### (3) **Changes in accounting policies, procedures and methods of presentation**

A. Changes due to adoption of revised accounting standards: Yes

B. Changes due to other reasons: None

*Note: Changes in accounting policies, procedures and methods of presentation for preparing quarterly consolidated financial statements stated in the section of “changes in significant matters forming the basis of preparing the quarterly consolidated financial statements”*

### (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, 2010	161,955,000 shares
As of March 31, 2010	161,955,000 shares

B. Number of treasury shares at the end of the period

As of September 30, 2010	1,479,347 shares
As of March 31, 2010	1,478,734 shares

C. Average number of outstanding shares during the period  
(cumulative from the beginning of the fiscal year)

For the six months ended September 30, 2010	160,476,010 shares
For the six months ended September 30, 2009	160,478,191 shares

**\* Indication regarding execution of quarterly review procedures**

This quarterly financial results report is not subject to the quarterly review procedures in accordance with the Financial Instruments and Exchange Act. At the time of disclosure of this quarterly financial results report, the quarterly review procedures are incomplete.

**\* Explanation concerning proper use of the forecasts and other specific matters**

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 conditions in the forecasts above and cautionary statements concerning the use of these forecasts, see “Qualitative information on consolidated forecast” on page 3 of the Attached Materials to this quarterly financial results report.

## Attached Materials

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## **1. Qualitative information on consolidated financial results for the first six months**

### **(1) Qualitative information regarding consolidated operating results**

In the Japanese economy during the six months of the fiscal year ending March 31, 2011, although there were signs of a partial recovery from an increase in exports, economic measures taken by the government and other factors, the future business trends still remain unclear in an increasingly severe environment, including concerns over a slowdown in the world economy due to stagnation of economic growth in the U.S. and China, the prolonged slump in Japanese stocks, and the steep appreciation of the yen that the Bank of Japan decided to intervene by selling yen for the first time in six and a half years.

Under the above circumstances, the Sasebo Group posted consolidated orders received of ¥13,489 million, an increase of 137.5% from the same period of the previous fiscal year. One of the factors behind this result was that we started again to accept new shipbuilding orders. The Group posted total consolidated sales of ¥22,214 million, a decrease of 33.3% from the same period of the previous fiscal year resulting from such factors as the application of the completed-contract method to account for some of the new shipbuilding sales. The consolidated order backlog at the end of the second quarter of the current fiscal year was ¥100,559 million, a decrease of 49.6% from the same period of the previous fiscal year, partially attributed to our unwillingness of getting new shipbuilding orders in the previous fiscal year and the cancellation of new shipbuilding contracts for 8 units received up to the previous fiscal year, despite the acceptance of new shipbuilding orders mentioned above. In terms of income, although the sales recording of new shipbuilding was more profitable than those of the same period of the previous fiscal year, because of the absence of the reversal of a reserve for the loss on construction contracts that was posted in the same period of the previous fiscal year, consolidated operating income was ¥2,671 million, a 33.6% decrease from the same period of the previous fiscal year with ordinary income of ¥2,457 million, a 30.2% decrease. The cancellation fees relating to the cancelled new shipbuilding contracts was posted as extraordinary income, resulting in a net income of ¥2,713 million, an increase of 32.0% from the same period of the previous fiscal year.

Results by segment are as follows.

#### **(a) Shipbuilding**

The Group posted orders received of ¥10,679 million in the shipbuilding business. Included in this amount were new shipbuilding orders for 2 units of 75,000 DWT bulk carriers as well as ship repairs for United States Navy vessels and for commercial vessels, among others. Net sales amounted to ¥18,446 million due in part to the application of the completed-contract method to account for some of the new shipbuilding sales. New ships delivered during the six month period totaled 4 ships: 1 unit of 115,000 DWT crude oil tanker, 1 unit of 75,000 DWT bulk carrier and 2 units of 180,000 DWT bulk carriers. In addition, there was the cancellation of new shipbuilding contracts for 8 units received up to the previous fiscal year and as a result, the order backlog for new shipbuilding came to 16 units. In terms of income, although the sales recording of new shipbuilding was more profitable than those of the same period of the previous fiscal year, because of the absence of the reversal of a reserve for the loss on construction contracts that was posted in the same period of the previous fiscal year, segment profit was ¥1,576 million.

#### **(b) Machinery**

The Group posted orders received of ¥2,245 million for its machinery business representing orders of equipment-related work for marine equipment and general industrial machinery, etc. Net sales amounted to ¥3,204 million due to the withdrawal from the bridges business among other factors. In terms of income, segment profit was ¥905 million as a result of the decline in net sales and other factors.

#### **(c) Others**

Other business segments are comprised mainly of meal delivery service, etc. Orders received and net sales were both ¥563 million and segment profit was ¥40 million.

## **(2) Qualitative information on consolidated financial position**

### **(Assets)**

Current assets were ¥48,187 million, an increase of ¥2,170 million from the previous fiscal year-end. This was mainly due to an increase in cash and deposits resulting from delivery of new ships. The application of the completed-contract method to account for some of the new shipbuilding sales resulted in a ¥8,338 million increase in work in process, while notes and accounts receivable-trade fell ¥9,106 million compared to the end of the previous fiscal year. Non-current assets were ¥32,663 million, a decrease of ¥2,159 million from the previous fiscal year-end. This was mainly due to a decrease in property, plant and equipment resulting from depreciation etc. and a decrease in investment securities due to the stock market decline.

As a result, total assets were ¥80,850 million, an increase of ¥10 million from the previous fiscal year-end.

### **(Liabilities)**

Current liabilities were ¥37,575 million, a decrease of ¥2,743 million from the previous fiscal year-end. This was mainly due to a decrease in advance received despite an increase in accrued income taxes resulting from the recording of net income. Non-current liabilities were ¥16,578 million, an increase of ¥1,184 million from the previous fiscal year-end. This was mainly due to an increase in long-term loans payable.

As a result, total liabilities were ¥54,154 million, a decrease of ¥1,559 million from the previous fiscal year-end.

### **(Net assets)**

Total net assets were ¥26,696 million, an increase of ¥1,570 million from the previous fiscal year-end. This was mainly due to an increase in retained earnings resulting from the recording of net income despite a decrease in valuation difference on available-for-sale securities due to the stock market decline.

## **(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 continues to be difficult, the consolidated operating results for the six months of the current fiscal year was in line with the Group's plan. Consequently, there are no changes to the forecast announced on May 26, 2010. Any future change will be appropriately disclosed.

## **2. Other information**

### **(1) Summary of changes in significant subsidiaries**

No items to report

### **(2) Summary of simplified accounting and special accounting**

[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 occurred 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) Summary of changes in accounting policies, procedures and methods of presentation**

Application of “Accounting Standards for Asset Retirement Obligations,” etc.

Effective from the first quarter of the current fiscal year, “Accounting Standards for Asset Retirement Obligations” (ASBJ Statement No. 18, March 31, 2008) and “Guidance on Accounting Standards for Asset Retirement Obligations” (ASBJ Guidance No. 21, March 31, 2008) are applied.

As a result, operating income and ordinary income decreased by ¥0 million, respectively, and income before income taxes decreased by ¥8 million.

### **(4) Summary of significant events, etc. regarding premise of going concern**

No items to report

### **3. Consolidated financial statements**

#### **(1) Consolidated balance sheets**

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

	As of September 30, 2010	As of March 31, 2010 (Summary)
Assets		
Current assets		
Cash and deposits	23,835	22,876
Notes and accounts receivable—trade	8,049	17,155
Short-term investment securities	70	40
Merchandise and finished goods	17	16
Work in process	11,481	3,143
Raw materials and supplies	1,029	580
Deferred tax assets	1,087	308
Other	2,618	1,898
Allowance for doubtful receivables	(1)	(1)
Total current assets	48,187	46,017
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	9,566	9,917
Land	7,546	7,567
Other, net	9,555	10,575
Total property, plant and equipment	26,668	28,060
Intangible assets	208	239
Investments and other assets		
Investment securities	3,287	4,052
Deferred tax assets	2,328	2,035
Other	440	706
Allowance for doubtful receivables	(271)	(271)
Total investments and other assets	5,785	6,522
Total non-current assets	32,663	34,822
Total assets	80,850	80,840



(in millions of yen, unless otherwise noted)

	As of September 30, 2010	As of March 31, 2010 (Summary)
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable—trade	15,928	16,168
Notes payable—facilities	117	610
Short-term loans payable	3,333	4,068
Income taxes payable	2,611	159
Advance received	13,394	16,960
Provision for construction warranties	49	56
Provision for loss on construction contracts	709	5
Other	1,433	2,289
Total current liabilities	37,575	40,319
Non-current liabilities		
Long-term loans payable	10,644	9,614
Deferred tax liabilities	2	2
Provision for retirement benefits	5,639	5,430
Provision for special repairs	44	35
Other	249	311
Total non-current liabilities	16,578	15,394
Total liabilities	54,154	55,713
Net assets		
Shareholders' equity		
Capital stock	8,414	8,414
Capital surplus	5,148	5,148
Retained earnings	14,246	12,175
Treasury stock	(976)	(976)
Total shareholders' equity	26,832	24,761
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	(135)	365
Total valuation and translation adjustments	(135)	365
Total net assets	26,696	25,126
Total liabilities and net assets	80,850	80,840

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

	For the six months ended September 30, 2009	For the six months ended September 30, 2010
Net sales	33,295	22,214
Cost of sales	27,854	18,278
Gross profit	5,440	3,936
Selling, general and administrative expenses	1,416	1,265
Operating income	4,024	2,671
Non-operating income		
Interest and dividends income	51	51
Other	26	12
Total non-operating income	77	64
Non-operating expenses		
Interest expenses	114	135
Foreign exchange losses	413	121
Other	55	20
Total non-operating expenses	583	277
Ordinary income	3,519	2,457
Extraordinary income		
Contract cancellation revenue	–	2,042
Gain on sales of non-current assets	0	0
Reversal of allowance for doubtful receivables	1	–
Other	0	42
Total extraordinary income	2	2,084
Extraordinary loss		
Loss on sales of non-current assets	1	–
Loss on disposal of non-current assets	49	21
Impairment loss	–	34
Loss on valuation of investment securities	34	2
Other	–	7
Total extraordinary losses	85	66
Income before income taxes	3,436	4,475
Income taxes—current	498	2,603
Income taxes—deferred	882	(840)
Total income taxes	1,381	1,762
Income before minority interests	–	2,713
Minority interests in income	–	–
Net income	2,054	2,713

**(3) Consolidated statements of cash flows***(in millions of yen, unless otherwise noted)*

	For the six months ended September 30, 2009	For the six months ended September 30, 2010
Cash flows from operating activities		
Income before income taxes	3,436	4,475
Depreciation and amortization	1,593	1,797
Increase (decrease) in allowance for doubtful receivables	(10)	–
Increase (decrease) in provision for loss on construction contracts	(2,295)	704
Increase (decrease) in provision for retirement benefits	72	209
Increase (decrease) in provision for construction warranties	11	(7)
Increase (decrease) in provision for special repairs	4	8
Interest and dividend income	(51)	(51)
Interest expenses	114	135
Foreign exchange losses (gains)	0	0
Loss (gain) on sales of property, plant and equipment	0	(0)
Loss (gain) on disposal of non-current assets	49	21
Impairment losses	–	34
Loss (gain) on valuation of investment securities	34	2
Decrease (increase) in notes and accounts receivable—trade	4,152	9,106
Decrease (increase) in inventories	590	(8,788)
Decrease (increase) in consumption taxes refund receivable	(225)	(116)
Decrease (increase) in other current assets	(1,710)	(606)
Increase (decrease) in notes and accounts payable—trade	(4,777)	532
Increase (decrease) in advance received	452	(3,566)
Increase (decrease) in other current liabilities	(1,392)	(811)
Other	(163)	–
Subtotal	(113)	3,080
Interest and dividends received	53	51
Interest paid	(103)	(134)
Income taxes paid	(1,815)	(166)
Net cash provided by operating activities	(1,979)	2,830

(in millions of yen, unless otherwise noted)

	For the six months ended September 30, 2009	For the six months ended September 30, 2010
Cash flows from investing activities		
Payments into time deposits	–	(1,000)
Proceeds from sales and redemption of securities	1,000	–
Purchase of property, plant and equipment	(3,646)	(1,662)
Payments for retirement of property, plant and equipment	(34)	(45)
Proceeds from sales of property, plant and equipment	2	0
Purchase of intangible assets	(0)	(7)
Proceeds from sales and redemption of investment securities	500	30
Payments of loans receivable	(2)	–
Collection of loans receivable	0	0
Other	(409)	203
Net cash used in investing activities	(2,590)	(2,480)
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	1,478	(1,180)
Proceeds from long-term loans	6,940	2,100
Repayment of long-term loans	(354)	(626)
Dividends paid	(793)	(636)
Payments for purchases of treasury stock	(0)	(0)
Other	(12)	(16)
Net cash used in financing activities	7,257	(360)
Effect of exchange rate changes on cash and cash equivalents	(0)	(0)
Increase (decrease) in cash and cash equivalents	2,685	(10)
Cash and cash equivalents at beginning of period	16,898	22,916
Cash and cash equivalents at end of period	19,584	22,906

#### (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, 2009

(in millions of yen, unless otherwise noted)

	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 method 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, tower/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 structure 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, 2009

Not indicated because no overseas consolidated subsidiaries or branch offices existed in the six month period.

[Overseas sales]

For the six months ended September 30, 2009

(in millions of yen, unless otherwise noted)

	Asia	Central America	Africa	Others	Total
I. Overseas net sales	17,220	2,744	3,261	785	24,012
II. Consolidated net sales	–	–	–	–	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 and 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.

[Segment information]

(Additional information)

Effective from the first quarter of the current fiscal year, “Accounting Standard for Disclosures about Segments of an Enterprise and Related Information” (ASBJ Statement No. 17, March 27, 2009) and “Guidance on Accounting Standard for Disclosures about Segments of an Enterprise and Related Information” (ASBJ Guidance No. 20, March 21, 2008).

1. Overview of reportable segments

The reportable segments of the Company are constituent units of the Company whose separate financial information is obtainable. These segments are periodically examined by the Board of Directors for the purpose of deciding the allocation of business resources and evaluating the operating results.

The organizational framework of the Company is a business unit organization whose purpose is the optimal, company-wide distribution of business resources and the meticulous management of income/loss for each business. Accordingly, the Company consists of segments divided by product based on business units, and “Shipbuilding” and “Machinery” are reportable segments.

“Shipbuilding” is engaged in building, repair and conversion of oil tankers, bulk carriers, naval ships, marine research vessels, etc. “Machinery” is engaged in manufacture and sales of crankshafts and marine diesel machinery parts, marine machinery such as fin stabilizers, and steel making and processing machinery, etc.

2. Information on net sales, profit or loss amount by reportable segment

For the six months ended September 30, 2010

(in millions of yen, unless otherwise noted)

	Reportable segments			Others	Total	Adjustment	Amount recorded in the quarterly consolidated statement of income (Note 3)
	Shipbuilding	Machinery	Total				
Net sales							
Outside customers	18,446	3,204	21,651	563	22,214	–	22,214
Inter-segment sales and transfers	–	–	–	1,047	1,047	(1,047)	–
Total	18,446	3,204	21,651	1,611	23,262	(1,047)	22,214
Segment profit	1,576	905	2,482	40	2,523	147	2,671

- (Notes) 1. The “Others” category is a business segment not included in the reportable segments. It includes school meal service, golf course business and transportation business, etc.
2. Selling, general and administrative expenses and other corporate expenses are distributed to each segment based on budget amounts and any budgetary variances between actual expenses and the budgeted amount are not distributed. These budgetary variances are included in the ¥147 million recorded as adjustment in segment profit.
3. Segment profit is adjusted with operating income in the quarterly consolidated statement of income.

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

No items to report

## **4. Supplemental information**

### **Production, orders received and sales**

#### **(1) Production**

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

	For the six months ended September 30, 2010		For the six months ended September 30, 2009		Change	
	Amount	%	Amount	%	Amount	%
Shipbuilding	31,478	90.0	29,497	86.2	1,980	6.7
Machinery	2,944	8.4	4,180	12.2	(1,235)	(29.6)
Others	563	1.6	532	1.6	31	5.9
Total	34,986	100.0	34,209	100.0	776	2.3

#### **(2) Orders received**

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

	For the six months ended September 30, 2010		For the six months ended September 30, 2009		Change	
	Amount	%	Amount	%	Amount	%
Shipbuilding	10,679	79.2	1,908	33.6	8,771	459.7
Machinery	2,245	16.6	3,238	57.0	(992)	(30.7)
Others	563	4.2	532	9.4	31	5.9
Total	13,489	100.0	5,678	100.0	7,810	137.5

#### **(3) Order backlog**

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

	As of September 30, 2010		As of September 30, 2009		Change	
	Amount	%	Amount	%	Amount	%
Shipbuilding	97,018	96.5	188,163	94.4	(91,144)	(48.4)
Machinery	3,541	3.5	11,222	5.6	(7,681)	(68.5)
Others	–	–	–	–	–	–
Total	100,559	100.0	199,385	100.0	(98,826)	(49.6)

*(Note) Order backlog is described by the complete contract method. Of order backlog amounts as of September 30, 2010, ¥6,827 million for shipbuilding and, of those as of September 30, 2009, ¥18,467 million for shipbuilding and ¥4,739 million for machinery 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, 2010		For the six months ended September 30, 2009		Change	
	Amount	%	Amount	%	Amount	%
Shipbuilding	18,446	83.1	27,559	82.8	(9,113)	(33.1)
Machinery	3,204	14.4	5,203	15.6	(1,998)	(38.4)
Others	563	2.5	532	1.6	31	5.9
Total	22,214	100.0	33,295	100.0	(11,080)	(33.3)