

April 27, 2007

To whom it may concern.

Company Name: Sasebo Heavy Industries Co., Ltd.  
Representative: Hidekazu Morishima/President  
Securities Code: 7007 TSE/OSE 1st Section, FSE  
Inquiries: Takehiko Nagano, General Manager  
Human Resources & General Affairs Dept.  
TEL: +81-3-5213-7312

**Notice Concerning Revision of Performance Forecasts**

With respect to the revision of performance forecasts for the full-term ending March 2007 (from April 1, 2006 to March 31, 2007) announced on January 26, 2007, we hereby inform you that Sasebo Heavy Industries Co., Ltd. has made the following revisions:

1. Revisions to Performance Forecast for the Full-term Ending March 2007 (from April 1, 2006 to March 31, 2007)

(1) Consolidated

*(Unit: millions of yen)*

	Sales	Ordinary Income	Net Income
Previous Forecast (A)	54,000	1,400	2,100
Revised Forecast ( B )	54,000	2,250	2,600
Difference (B – A)	-	850	500
Difference (%)	-	60.7%	23.8%
(Reference) Results for the Previous Term ended March 2006	51,389	1,782	837

(2) Non-consolidated

*(Unit: millions of yen)*

	Sales	Ordinary Income	Net Income
Previous Forecast (A)	53,000	1,400	2,100
Revised Forecast ( B )	53,000	2,220	2,600
Difference (B – A)	-	820	500
Difference (%)	-	58.6%	23.8%
(Reference) Results for the Previous Term ended March 2006	50,528	1,813	874

## 2. Reasons for Revision

The company now forecasts, for the full-term ending March 2007, that both ordinary income and net income will increase as a result of productivity improvements by the Machinery Department, an increase in sales resulting from a strengthening of order-receiving activities by the Ship Repair Department, and a decrease in expenses such as depreciation and repairs resulting from a review of the capital investment action plan.

*\* The above forecast for performance has been determined based upon information available at this point. Actual performance may vary depending on various factors.*

End of Document