

October 30, 2008

To whom it may concern

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Notice Concerning Differences Between Forecasts and Actual Results

We hereby inform you that the following material differences in the financial results announced on this date have come to light as compared with the forecasts for the six months of the fiscal year ending March 31, 2009 (from April 1, 2008 to September 30, 2008) announced along with the year-end financial results on May 15, 2008.

1. Differences Between the Consolidated Forecasts for the Six Months Ended September 30, 2008 and Actual Results

(From April 1, 2008 to September 30, 2008)

(Unit: millions of yen)

	Net Sales	Operating Income	Ordinary Income	Net Income	Net Income Per Share
Previous Forecast (A)	40,000	2,850	2,800	1,700	10.59
Actual Results (B)	38,053	4,150	4,246	2,583	16.10
Difference (B-A)	(1,947)	1,300	1,446	883	5.51
Difference (%)	(4.9)%	45.6%	51.6%	51.9%	52.0%
(Reference) Results for the Fiscal Year Ended March 2008	66,637	3,670	3,294	2,958	18.33

2. Differences Between the Non-consolidated Forecasts for the Six Months Ended September 30, 2008 and Actual Results

(From April 1, 2008 to September 30, 2008)

(Unit: millions of yen)

	Net Sales	Operating Income	Ordinary Income	Net Income	Net Income Per Share
Previous Forecast (A)	39,500	2,850	2,800	1,700	10.59
Actual Results (B)	37,482	4,089	4,182	2,508	15.63
Difference (B-A)	(2,018)	1,239	1,382	808	5.04
Difference (%)	(5.1)%	43.5%	49.4%	47.5%	47.6%
(Reference) Results for the Fiscal Year Ended March 2008	65,573	3,635	3,241	2,983	18.49

3. Reason for Material Differences

The main reason for the material differences was the increase in operating income, ordinary income and net income. This resulted from the postponement of the recording of depreciation and repair expenses following the review of the capital investment action plan of Sasebo Heavy Industries Co., Ltd., which submits the consolidated financial statements.