

October 26, 2009

To whom it may concern

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Notice Concerning Revision of Forecasts

Sasebo Heavy Industries Co., Ltd. (“the Company”) hereby announces that, in light of recent business trends, the forecasts announced on May 15, 2009 have been revised as shown below:

Revisions to the Consolidated Forecasts for the Six Months Ended September 30, 2009
(From April 1, 2009 to September 30, 2009)

(Unit: millions of yen)

	Net Sales	Operating Income	Ordinary Income	Net Income	Net Income Per Share (yen)
Previous Forecast (A)	33,000	2,000	1,900	1,100	6.85
Revised Forecast (B)	33,200	4,000	3,500	2,000	12.81
Difference (B-A)	200	2,000	1,600	900	
Difference (%)	0.6%	100.0%	84.2%	81.8%	
(Reference) Results for the Six Months Ended September 30, 2008	38,053	4,150	4,246	2,583	16.10

Revisions to the Non-consolidated Forecasts for the Six Months Ended September 30, 2009
(From April 1, 2009 to September 30, 2009)

(Unit: millions of yen)

	Net Sales	Operating Income	Ordinary Income	Net Income	Net Income Per Share (yen)
Previous Forecast (A)	32,500	2,000	1,900	1,100	6.85
Revised Forecast (B)	32,700	4,000	3,500	2,000	12.63
Difference (B-A)	200	2,000	1,600	900	
Difference (%)	0.6%	100.0%	84.2%	81.8%	
(Reference) Results for the Six Months Ended September 30, 2008	37,482	4,089	4,182	2,508	15.63

Reason for Revision

The main reason for the above revisions was increases to operating income, ordinary income and net income of the company submitting the consolidated financial statements (the Company) due to factors such as a fall in the price of steel.

Concerning forecasts for the fiscal year ending March 31, 2010, the Company is currently studying the situation and shall make a further announcement as soon as this examination has been completed.

*Cautionary Statements Concerning the Forecasts

The above forecasts are based on information currently available to the Company and on certain assumptions that we consider reasonable. Actual results may vary significantly due to various factors.