

February 24, 2010

To whom it may concern

Company Name: Sasebo Heavy Industries Co., Ltd.  
Representative: Hidekazu Morishima/President  
Securities Code: 7007  
TSE 1st Section, OSE 1st Section, FSE  
Inquiries: Tetsuo Takeda/General Manager of  
General Affairs Department  
(TEL: +81-3-6861-7312)

**Notice Concerning Revisions of Financial Forecasts and Dividend Forecast**

Sasebo Heavy Industries Co., Ltd. (“the Company”) hereby announces that, in light of recent business performance trends, the financial forecasts and the dividend forecast for the full-term ending March 31, 2010, announced on October 29, 2009, have been revised as shown below:

I. Revisions to the Financial Forecasts

1. Revisions to the Financial Forecasts for the Term Ending March 31, 2010  
(From April 1, 2009 to March 31, 2010)

(1) Consolidated

*(Unit: millions of yen)*

	Net Sales	Operating Income	Ordinary Income	Net Income	Net Income Per Share (yen)
Previous Forecast (A)	65,000	6,500	6,000	3,500	21.81
Revised Forecast (B)	65,000	7,500	7,000	4,000	24.93
Difference (B-A)	-	1,000	1,000	500	
Difference (%)	-	15.4%	16.7%	14.3%	
(Reference) Results for the Previous Term Ended March 31, 2009	77,464	7,051	6,939	3,091	19.26

(2) Non-consolidated

(Unit: millions of yen)

	Net Sales	Operating Income	Ordinary Income	Net Income	Net Income Per Share (yen)
Previous Forecast (A)	64,000	6,500	6,000	3,500	21.81
Revised Forecast (B)	64,000	7,500	7,000	4,000	24.93
Difference (B-A)	-	1,000	1,000	500	
Difference (%)	-	15.4%	16.7%	14.3%	
(Reference) Results for the Previous Term Ended March 31, 2009	76,169	6,946	6,827	3,017	18.80

2. Reason for Revisions to the Financial Forecasts

The main reason for the above revisions was the expected increases to operating income, ordinary income and net income of the company submitting the consolidated financial statements (the Company) due to a greater than expected effect from decreased costs achieved through capital investment-driven productivity improvements, among other factors.

II. Revisions to the Dividend Forecast

1. Details of Revisions

Record Date	Cash Dividends per Share				
	First Quarter-end	Second Quarter-end	Third Quarter-end	Term-end	Annual
Previous Forecast (Announced on May 15, 2009)	<i>yen</i> -	<i>yen</i> -	<i>yen</i> -	<i>yen</i> 3.50	<i>yen</i> 3.50
Revised Forecast	-	-	-	4.00	4.00
Results for the Term Ending March 31, 2010	-	-	-		
Results for the Previous Term Ended March 31, 2009	-	-	-	5.00	5.00

## 2. Reason for Revisions to the Dividend Forecast

When distributing dividends to its shareholders, the Company takes into account the business environment and business performance trends of the time, giving the highest priority to the return of profits to shareholders, while maintaining the right balance to ensure sufficient retained earnings to strengthen our corporate financial position. Since the forecasts for the term ending March 31, 2010 are now expected to exceed the initial forecasts, the Company has decided to increase the term-end dividend forecast by 0.5 yen to 4.0 yen.