

January 30, 2004

Sasebo Heavy Industries Co., Ltd.

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Notice of 'Appointment of Interim Auditor'

Following the death of company auditor Mr. Kazunobu Kato (passed away November 12, 2003), we herewith announce the appointment of an interim auditor from the Tokyo District Court, effective January 28, 2004.

Interim Auditor

Yasuhiko Nishimoto/Lawyer