



November 17, 2006

To whom it may concern

Company Name: Sasebo Heavy Industries Co., Ltd.  
Representative: Hidekazu Morishima/President  
Securities Code: 7007  
Inquiries: TSE 1st Section, OSE 1st Section, FSE  
Takehiko Nagano  
Director, Manager of Human Resources  
& General Affairs Dept.  
(TEL: +81-3-5231-7312)

**Notice concerning Revision to Dividend Forecast (Resumption of Dividend) for  
Term ending March 31, 2007**

Sasebo Heavy Industries Co., Ltd. (hereinafter 'Sasebo') resolved at a meeting of the Board of Directors held on November 17, 2006 to revise its year-end per share dividend forecast for the fiscal year ending March 31, 2007 (85th term). Details follow below:

1. Reasons for the dividend forecast revision

No dividend has been paid by Sasebo continuously since the term ended March 31, 2003 (81st term). During this period, Sasebo developed its mid-term (3-year) management plan, which was implemented in April 2003, with the aim of 'early realization of a surplus structure', and has been attempting to reconstruct its management. As a result, a surplus was posted for two consecutive years since fiscal 2004 (83rd term), and losses carried forward were eliminated.

In addition to the series of measures taken as mentioned above, it is expected that Sasebo will achieve its 85th term (fiscal year ending March 31, 2007) performance targets. Consequently, the company has determined that resumption of dividends will be made, provided that there are no substantial fluctuations in various factors.

2. Details of the revision

	Cash dividends per share (yen)		
	Interim	Year-end	Total annual
Previous forecast (announced May 19, 2006)	-	-	-
Revised forecast	0.00	2.00	2.00
Dividends paid in previous year (year ended March 31, 2006)	0.00	0.00	0.00