

January 7, 2008

To whom it may concern

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Notice concerning Completion of Purchase and Acquisition of Treasury Stock on the Market
(Acquisition of Treasury Stock in accordance with the Articles of Incorporation pursuant to Article 165, Section 2 of the Company Law)

Sasebo Heavy Industries Co., Ltd. (The Company) hereby announces the acquisition of treasury stock pursuant to Article 156 of the Company Law, as applied in lieu of Article 165 of the same law, as detailed below.

The Company also announces completion of the acquisition of treasury stock by resolution at the board of directors meeting held on August 29, 2007.

1. Acquisition period: December 1, 2007 to December 31, 2007 (contract base)
2. Total number of shares acquired: 0 shares
3. Total cost of acquisition: 0 yen
4. Acquisition method: Tokyo Stock Exchange market purchases

(Reference)

- (1) Details of the resolution concerning acquisition of treasury stock approved at the board of directors meeting held on August 29, 2007:
 - Type of stock to be acquired: Common Company shares
 - Total number of shares to be acquired: Up to 1,500,000 shares
 - Total acquisition cost: Up to 1,005,000,000 yen
 - Acquisition period: From August 30, 2007 to December 31, 2007
- (2) Cumulative total of treasury shares acquired by November 30, 2007 based on the above resolution:
 - Total number of shares acquired: 1,417,000 shares
 - Total acquisition cost: 961,425,000 yen