

December 24, 2003

**Final agreements between Toshiba Ceramics and
Krosaki Harima for a Business Alliance for Refractories
for the Steel Industry**

- Establishment of a joint venture company for manufacturing refractories for the steel industry -

Toshiba Ceramics and Krosaki Harima executed final agreements today for a business alliance for refractories for the steel industry.

Both companies have been working on the details of the business alliance in accordance with the basic agreement executed last September, and executed today the final agreements.

The final agreements set forth the integration of the refractory businesses of both companies, primarily for the products for continuous casting of steel, scheduled for the 1st of March 2004. Specifically, a new company will be established for the production of refractories for the continuous casting of steel, which is currently undertaken at Toshiba Ceramics' Kariya Plant and Kashima Branch Factory, and will be co-managed by Toshiba Ceramics and Krosaki Harima. At the same time, the sales and basic research and development activities of Toshiba Ceramics will be transferred to Krosaki Harima.

The new company's production will be limited to slide gate refractory plates for continuous casting. With respect to alumina graphite tubes Toshiba Ceramics currently manufacturers, they will be transferred to Krosaki Harima by the end of October of next year.

Based on the final agreements, the new joint venture company will run along the lines of Krosaki Harima's refractory business for the steel industry.

Shareholding ratios in the new joint venture company will be 51% for Toshiba Ceramics and 49% for Krosaki Harima.

Both parties intend to improve the value of this high end refractory business for customers and increase their contributions to society through the alliance.

Outline of the new joint venture company:

Name: SN Refractecture Tokai Co., Ltd.
Capital: Yen 75 Million (Toshiba Ceramics = 51%, Krosaki Harima = 49%)
Address: 1, Minami-Fuji, Ogakie-cho, Kariya, Aichi Prefecture
(Inside the Kariya Site of Toshiba Ceramics)
President and Kunio Hayamizu (He is also the in-house company
Representative president of the Functional Refractory Company of
Director: Toshiba Ceramics.)
Employees: About 60

Planned sales for FYE March 31, 2005: About Yen 3,000 Million

For inquiries, please contact:

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