

TRANSFER OF OPERATIONS ON SLIDE GATE BUSINESS FOR CONTINUOUS CASTING OF STEEL AND OTHERS FROM SUMITOMO HEAVY INDUSTRIES HIMATEX CO., LTD. TO KROSAKI HARIMA CORPORATION

Sumitomo Heavy Industries HIMATEX Co., Ltd. and Krosaki Harima Corp. announced today that they have reached an agreement on a business alliance in their business area of slide gate (abbreviated as SG) for continuous casting of steel and others, as follows :

This agreement relates to a transfer of operations on the SG business of Sumitomo Heavy Industries HIMATEX to Krosaki Harima in April 1st, 2006. In conjunction with this transfer of operations, the current customer service operations, such as sales, about the SG business of Sumitomo Heavy Industries HIMATEX, will be transferred to Krosaki Harima.

Both companies have continuously discussed from various aspects how to strengthen each business based on effective utilization of their business resources in the business area of SG for continuous casting of steel and others. Both companies believe that this transfer of operations contributes to maximization of each competitive advantage so as to provide best value to customers and strengthen business competitiveness in the world market.

1. Purpose of Alliance in Business Area of SG for Continuous Casting of Steel and others.

(1) Integration of two companies' operational bases in the business area of SG for continuous casting of steel and others allows Sumitomo Heavy Industries HIMATEX and Krosaki Harima to accelerate improvement in response capabilities to customer's needs and strengthening of operating capabilities.

(2) Fusion of both companies' own technological capabilities makes it possible to offer higher quality products to customers and allow both companies to achieve superior competitiveness in this business field.

(3) Integration/consolidation of indirect departments makes it possible to improve efficiency of the entire business and strengthen cost competitiveness.

2. Schedule for Transfer of Operations

April 1st, 2006 (expected date)

March 10th, 2006

Sumitomo Heavy Industries HIMATEX Co., Ltd.
Krosaki Harima Corporation

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Reference

<Outline of Sumitomo Heavy Industries HIMATEX Co., Ltd.>

Headquarter Address	: 5-2, Soubiraki-cho, Niihama City, Ehime
Establishment	: Apr. 1980
Business	: Roll for rolling mill, SG, etc.
Capital	: 310 million JPY (as of Sept. 30th, 2005)
Major Shareholder	: Sumitomo Heavy Industries Ltd. (100%) (as of Sept. 30th, 2005)
Sales	: About 3.2 billion JPY (the fiscal year of 2004)
Number of Employee	: About 100 (as of Sept. 30th, 2005)
Representative	: Shigeki Hayashi (President)

<Outline of Kurosaki Harima Corporation>

Headquarter Address	: 1-1 Higashihama-machi, Yahata Nishi-ku, Kitakyushu City, Fukuoka
Establishment	: Oct. 1918
Business	: Refractories, furnace installation, real estate, advanced ceramics, etc.
Capital	: About 5.5 billion JPY (consolidated, as of Sept. 30th, 2005)
Major Shareholders	: Nippon Steel Corp., Japan Securities Finance Co. Ltd., The Master Trust Bank of Japan, Ltd. (as of Sept. 30th, 2005)
Sales	: About 82.2 billion JPY (consolidated, the fiscal year 2004)
Number of Employee	: About 2200 (consolidated, as of Sept. 30th, 2005)
Representative	: Teruyoshi Hiraoka (President)