

October 30, 2008

Company name: KROSAKI HARIMA CORPORATION

Representative: Hideki Furuno, President

(Code: 5352, First Section of the Tokyo Stock Exchange and the Fukuoka Stock Exchange)

Notice of the Company's Equity Participation in IFGL Exports Limited in India

The Company reached an agreement on October 13, 2008, with IFGL Refractories Limited (Director & Chief Executive: P. Bajoria; Head office: Kolkata, India; hereinafter "IFGL"), a manufacturer of refractories in which the Company has a 4.57% equity stake, in that the Company would take a 20% equity stake in IFGL Exports Limited (Head office: Kolkata, India; Factory: Gujarat, India; hereinafter "IEL"), a subsidiary of IFGL.

IEL manufactures alumina-graphite functional refractories mainly for the continuous casting of steel and exports them to the North American, European and Middle Eastern markets. The aforesaid agreement will initiate the strategic efforts of IFGL and the Company to promote sales of refractories in said markets.

1. Ratio and Amount of Equity Participation

Ratio of equity participation: 20%

Amount of equity participation: 40 million Indian rupees (about ¥80 million at the exchange rate as of October 23, 2008)

2. Purpose of Equity Participation

The Company intends to expand its global operations to capture the growing demand for refractories in response to the growing production of steel industries worldwide. Specifically, the agreement is designed to

- (1) Enlarge the lineup of functional refractories for the continuous casting of steel to accommodate customer needs;
 - (2) Increase the capacity to meet customer needs by enabling the sharing of technologies concerning functional refractories for the continuous casting of steel between IFGL and the Company;
 - (3) Reinforce marketing strengths by utilizing the global sales networks of IFGL and the Company;
- and
- (4) Enhance cost competitiveness by streamlining the overall operations concerning functional refractories for the continuous casting of steel.

Reference

Profile of IEL

- 1) Company Name: IFGL Exports Limited
- 2) Factory Location: Plot Nos. 638-644, Kandla Special Economic Zone, Gandhidham 370230, Dt. Kutch, Gujarat
- 3) Capital: 200 million Indian rupees
- 4) Ownership: 80% by an Indian group led by IFGL and 20% by Krosaki Harima Corporation
- 5) Sales: About US\$31 million (planned for 2013)