

January 5, 2009

Listed company name:KROSAKI HARIMA CORPORATION
Representative:Hideki Furuno, President
Securities Code:5352

Notice of Revision to Performance Forecasts

Based on its recent performance trends, Krosaki Harima Corporation (“the Company”) has revised the performance forecasts announced on May 15, 2008, as detailed below.

Revision to the Consolidated Performance Forecast for the Fiscal Year Ending March 2009

(From April 1, 2008, to March 31, 2009)

(Millions of yen)

	Net sales	Operating income	Ordinary income	Net income	Net income per share
Previous estimate (A)	98,000	5,000	4,800	2,800	31.30
Revised estimate (B)	96,000	3,300	3,000	(4,500)	(50.99)
Variance by amount (B – A)	(2,000)	(1,700)	(1,800)	(7,300)	—
Variance by percentage (%)	-2.0	-34.0	-37.5	—	—
Results for the year ended March 2008	95,376	4,994	4,796	3,233	36.15

Revision to the Non-Consolidated Performance Forecast for the Fiscal Year Ending March 2009

(From April 1, 2008, to March 31, 2009)

(Millions of yen)

	Net sales	Operating income	Ordinary income	Net income	Net income per share
Previous estimate (A)	87,000	2,700	2,800	1,600	17.89
Revised estimate (B)	87,000	1,400	1,300	(5,500)	(62.32)
Variance by amount (B – A)	—	(1,300)	(1,500)	(7,100)	—
Variance by percentage (%)	—	-48.1	-53.6	—	—
Results for the year ended March 2008	85,226	2,596	2,455	1,880	21.02

Reasons for the Revision

(1) Net sales, operating income and ordinary income:

The global business downturn has diminished steel demand, forcing many players in the steel industry, a major customer of the Krosaki Harima Group, to reduce production. This is expected to cause a significant decline in crude steel output at home and abroad, thereby causing a significant decrease in the demand for refractories.

It is also expected that the continued stagnation of demand from the semiconductor industry and further reduction in investments in housing construction and public works will adversely affect the performance of the Group’s Advanced Ceramics and Others (building and landscape materials)

businesses.

Considering the impact of these worsening market environments on the Group's business performance, the Company has made downward revisions to its performance forecast of net sales (consolidated only), operating income and ordinary income for the fiscal year ending March 2009.

(2) Net income:

In addition to a possible decline in income for the reasons stated above, the revision to net income reflects a special loss on revaluation of investment securities amounting to ¥5,900 million due to the impairment of the shares held by the Group particularly in MAGNESITA REFRATARIOS S.A., a leading refractory manufacturer in Brazil, as detailed in the Notice of Loss on Revaluation of Investment Securities announced today (January 5, 2009).

Note: The above revised forecasts are based on certain assumptions in light of information currently available. Please understand that actual results may differ from those forecasts, depending on changes in business circumstances that might occur in the future.

The translation is prepared and provided for the purpose of the readers' convenience only. All readers are strongly recommended to refer to the original version of the news release in Japanese for complete and accurate information.