

June 2, 2009

Dear Shareholders,

Company name: KROSAKI HARIMA CORPORATION
Representative: Hideki Furuno, President
Securities Code: 5352
(Listed on the First Section of the Tokyo Stock Exchange and the Fukuoka Stock Exchange)

Acquisition of a Stake in Shinnikka Thermal Ceramics Corporation

Krosaki Harima Corporation (“the Company”) announced today that it reached a resolution at the Board of Directors meeting held on June 2, 2009, to acquire a stake in Shinnikka Thermal Ceramics Corporation as follows.

1. Reasons for the acquisition

Shinnikka Thermal Ceramics Corporation (hereinafter “STCC”) manufactures and sells fire-resistant insulation materials, including ceramic fibers, as a joint venture between Nippon Steel Chemical Co., Ltd. (hereinafter “NSCC”), and The Morgan Crucible Company plc, a U.K.-based holding company, with which companies that manufacture and sell carbon and ceramic products are affiliated.

The insulation materials provided by STCC and the Company’s Advanced Ceramics business have insulation properties that are complementary to each other. The stock acquisition enables a combined offering of these insulation products to customers or otherwise promotes collaboration between STCC and the Company to achieve synergies, including the expansion of sales for both parties.

For these reasons, the Company will acquire all of NSCC’s shareholdings in STCC.

2. Profile of STCC

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|----------------------------|--|
| (1) Trade name: | Shinnikka Thermal Ceramics Corporation (to be renamed Shin-Nippon Thermal Ceramics Corporation effective July 1, 2009) |
| (2) Representative: | Hiroyuki Kondo, Representative Director and President |
| (3) Head office location: | 14-1, Sotokanda 4-chome, Chiyoda-ku, Tokyo |
| (4) Date of establishment: | April 1, 1997 |
| (5) Lines of business: | Manufactures and sells fire-resistant insulation materials, including ceramic fibers |
| (6) Fiscal year-end: | December 31 |

- (7) Number of employees: 29 (as of December 31, 2008)
- (8) Primary place of business: Sakai Factory
(102-1 Chikko Yawatamachi, Sakai-ku, Sakai-shi, Osaka)
- (9) Capital: ¥490 million (as of December 31, 2008)
- (10) Total number of shares issued: 9,800 shares (as of December 31, 2008)
- (11) Major shareholders and their holdings (as of December 31, 2008):

Shareholder Name	Number of Shares Held (Ownership Ratio)
The Morgan Crucible Company plc	4,900 shares (50%)
Nippon Steel Chemical Co., Ltd.	4,900 shares (50%)

- (12) Business results for the previous two fiscal years:

(¥ Million)

	Fiscal Year Ended December 2007	Fiscal Year Ended December 2008
Net sales	2,777	2,796
Operating income	354	233
Ordinary income	358	233
Net income	205	118
Total assets	2,375	2,277
Net assets	1,751	1,810

3. Company from which the stock is to be acquired

- (1) Trade name: Nippon Steel Chemical Co., Ltd.
- (2) Representative: Yoshio Hyodo, Representative Director and Chief Executive Officer
- (3) Head office location: 14-1, Sotokanda 4-chome, Chiyoda-ku, Tokyo
- (4) Lines of business: Coal chemicals, chemicals and functional materials
- (5) Method of acquisition: Transfer for value

4. Number of shares to be acquired, acquisition price and shareholdings before and after the acquisition

- (1) Shareholdings before the acquisition: 0
(Shareholding: 0%; Voting ownership: 0%)
- (2) Number of shares to be acquired: 4,900 shares
(Acquisition price: ¥1,400 million;
Ratio of acquired shares to total number of shares issued: 50%)
- (3) Shareholdings after the acquisition: 4,900 shares
(Shareholding: 50%; Voting ownership: 50%)

5. Schedule

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| June 2, 2009 | Resolution was made at the Board of Directors meeting, and the share transfer agreement was concluded. |
| July 1, 2009 | The shares will be transferred to the Company. |

6. Future outlook

Shinnikka Thermal Ceramics Corporation will be an equity-method affiliate of the Company.

The effect of this acquisition on the Company's business performance for the fiscal year ending March 2010 is expected to be immaterial.