

November 11, 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)

Notice of Variance between the Forecast and Actual Results of Consolidated Performance for the First Half of the Fiscal Year Ending March 31, 2010

This notification is to inform our shareholders that the following variance arose between the actual results of our business performance for the first half of the fiscal year ending March 31, 2010, and the forecasts thereof announced on May 14, 2009.

1. Details of the Variance

(1) Variance between the Forecast and Actual Results of Consolidated Performance for the First Half of the Fiscal Year Ending March 31, 2010 (From April 1, 2009, to September 30, 2009)

(Millions of yen)

	Net sales	Operating income (loss)	Ordinary income	Net income	Net income (loss) per share
Forecast (A)	36,000	(1,000)	(1,000)	(1,000)	(11.46)
Actual (B)	38,056	(200)	(39)	32	0.39
Variance by amount (B – A)	2,056	800	961	1,032	—
Variance by percentage (%)	5.7	—	—	—	—
(Reference) Actual results for the first half of the previous fiscal year ended March 2009	50,936	2,716	2,684	1,314	14.83

2. Reasons for the Variance

(1) Net sales

In the first half of the fiscal year ending March 31, 2010, there were signs that the domestic crude steel output of the steel industry, a major customer of the Krosaki Harima Group, had bottomed, as a wave of moves to relieve the policy of reduced production occurred.

These circumstances, combined with an increase in demand for refractories from the original projection, led to an increase in net sales for the six-month period.

(2) Income

The income figures have improved, owing to the increased net sales and ongoing efforts to curtail labor and procurement costs.