

February 10, 2010

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 Termination of a Joint Venture Concerning Fine Ceramics and Continuation of the Venture on the Company's Own

Krosaki Harima Corporation (“the Company”) announced today that it reached a resolution at the Board of Directors meeting held on February 10, 2010, to terminate a joint venture concerning fine ceramics with Nippon Steel Materials Co., Ltd. (“Nippon Steel Materials”), and continue the business on its own, as detailed below.

1. Reasons for the Termination of the Joint Venture

In October 2000, the Company started a joint venture with the new materials division of Nippon Steel Corporation (“NSC”) based on long years of involvement in joint efforts of research and development concerning fine ceramics. The joint venture deals with the production of fine ceramics products mainly for semiconductor manufacturing equipment—for which the Company is responsible—and sales and R&D efforts for those products—for which NSC is responsible.

Later, in July 2006, the new materials division was spun off into Nippon Steel Materials, with which the Company continued the joint venture.

Recently, as a result of deliberations within the NSC group on reinforcement of the group's fine ceramics business structure to better suit the requirements of its customers, it was concluded that such reinforcement would be best achieved by having the Company deal with all aspects of the venture—from R&D and manufacturing to sales—in an integrated manner.

2. After Joint Involvement Is Terminated

Responsibilities for the sales and R&D aspects of the joint venture for which Nippon Steel Materials is responsible will be transferred to the Company after the termination of joint involvement. This will put the Company into a position to deal with the R&D, manufacturing and sales of fine ceramics products mainly for semiconductor manufacturing equipment in an integrated manner. By taking advantage of the position, the Company intends to step up efforts to further enhance customer value.

This position will also allow integration with the Company's own conventional involvement in ceramics businesses, including Thermo-Components & Ceramics, which can further improve the efficiency of those businesses and create synergies in all aspects from manufacturing and R&D to sales.

Taking this opportunity, the Company intends to reinforce its fine ceramics businesses by encouraging the development of new products and further improving the efficiency of production and selling systems.

3. Outline of the Joint Venture Partner

(1) Name	Nippon Steel Materials Co., Ltd.
(2) Location	14-1, Sotokanda 4-chome, Chiyoda-ku, Tokyo
(3) Representative	Teruaki Ishiyama, President
(4) Businesses	Manufacturing and sales of semiconductor materials, electronic materials and metal processed materials
(5) Capital	¥3,000 million
(6) Date of Establishment	July 1, 2006
(7) Shareholder (Shareholding ratio)	Nippon Steel Corporation (100%)

4. Schedule for the Termination of Joint Involvement

(1) Board of Directors Meeting	February 10, 2010
(2) Exchange of Memorandum	February 10, 2010
(3) Date of the Termination	March 31, 2010
(4) Date Nippon Steel Materials' Operations To Be Transferred	April 1, 2010

5. Future Outlook

Effects of the termination of joint involvement on the Company's consolidated performance for the fiscal year ending March 31, 2010, are not expected.

The Company's consolidated performance forecasts for the fiscal year ending March 31, 2011, are yet to be calculated, but the effects of the termination of joint involvement and continuation of the business on the Company's own are expected to be immaterial.

The Company's sales (non-consolidated) from the joint venture for the fiscal year ended March 31, 2009, were approximately ¥1,800 million.

(Reference) Consolidated Performance Forecasts for the Fiscal Year Ending March 2010 (released on February 10, 2010) and Business Results for the Fiscal Year Ended March 2009

(Millions of yen)

	Net sales	Operating income	Ordinary income	Net income
Forecasts for the Year Ending March 2010	81,600	2,300	2,400	3,700
Results for the Year Ending March 2009	96,322	3,611	3,126	(2,879)