

March 5, 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)

The Ninth Medium-Term Management Plan for the Krosaki Harima Group

Krosaki Harima Corporation (“the Company”) announced today that it has formulated the Ninth Medium-Term Management Plan for the period until the end of the fiscal year ending March 2012.

- During the period of the former Medium-Term Management Plan (the Eighth Medium-Term Management Plan for the three fiscal years until March 2009), the Krosaki Harima Group (“the Group”) restructured its manufacturing network, including the closure of the Shimizu Plant and the liquidation of Krosaki Rozai Corporation, and promoted the renovation of factories, including the construction of next-generation processes for AG and SN refractories. The Group also made focused efforts to reinforce its overseas operations, including the expansion of businesses in China targeted at local markets and investment in MAGNESITA REFRATARIOS S.A.in Brazil.
- In the wake of the worldwide economic crisis that started in the autumn of 2008, the Company’s business circumstances changed significantly. Therefore, we have formulated the Ninth Medium-Term Management Plan, which accommodates these changes in the Company’s operating environment.
- The new Plan is aimed at profit growth by enhancing the earning structure of the Company’s domestic businesses and reinforcing overseas operations. This will lay a firm foundation on which the Company can ensure continued growth worldwide.

Outline of the Ninth Medium-Term Management Plan

1. Increasing the depth and breadth of refractory solutions

- We further promote coordinated efforts with client steel makers through shared awareness of problems and cooperative involvement for solutions. We also encourage the development of human resources with expertise in materials, construction and operations, and the systematization of our basic technologies relative to refractory materials,

construction and equipment.

- To help reduce CO₂ emissions, we offer comprehensive and advanced solutions based on extensive knowledge regarding the combination of refractories and heat.

2. Expanding our global presence and exploring business opportunities for growth

- We further promote the global marketing of functional refractories—a core product category of the Company—especially in China, India, North America and Europe, while achieving closer cooperation with alliance manufacturers.
- With a high level of technological expertise and the ability to offer comprehensive solutions, we even package contracts and cost-per-tonne contracts targeted at new steel mills in emerging markets, including rapidly growing regions in Asia.

3. Improving the efficiency of manufacturing and selling operations at home and abroad

- Our manufacturing, selling and R&D efforts are integrated on the basis of each product category or market to expedite efficiency improvements for increased profitability.
- The optimized organization of domestic and overseas Group companies is achieved to ensure optimal sharing of the Group operations and secure the Group's core technologies.
- Strategic investments in IT infrastructure are made to promote the restructuring of manufacturing and sales operations (e.g., the construction of supply chain management [SCM] systems).

4. Ensuring the stable procurement of materials for refractory products

- Procurement can be unstable for some materials, and we intend to stabilize such procurement by gathering information, while considering the option of participating in projects to develop such materials, and promote cooperation with alliance manufacturers.

5. Improving productivity and achieving more efficient use of management resources

- The enhancement of our manufacturing expertise by systematizing process element technologies, as well as scientifically and technically verifying the optimization of our processes from material design and construction to operation management, is pursued to improve our technological competitiveness.
- The demand for a better workforce is partly satisfied through productivity improvements, whereas the strategic placement of talent into areas of growth or focus—including overseas expansion and comprehensive refractory solution offerings—is promoted.

6. Putting efforts selectively into areas of growth or with expected synergies (for business areas other than refractory materials)

- We promote involvement in emerging business opportunities that feature energy conservation and less CO₂ emissions, such as thermal insulation.
- We reinforce the foundations for the fine ceramics businesses by offering highly functional applications that accommodate various customer needs.