

July 26, 2011

Dear Shareholders,

Company name: KROSAKI HARIMA CORPORATION  
Representative: Yasuo Hamamoto, President  
Securities Code: 5352

**Notice Regarding the Construction of a Mud Plant  
at TRL KROSAKI REFRATORIES LIMITED in India**

On May 31, 2011, Krosaki Harima Corporation (“Krosaki” or “we”) acquired a 51% stake in TATA REFRATORIES LIMITED—the largest refractory manufacturer in India—to make it a subsidiary. The subsidiary was then renamed TRL KROSAKI REFRATORIES LIMITED (hereinafter “TKRL”).

With TKRL as a driving force to pursue its growth strategies in India, Krosaki decided to construct a plant for producing mud (a clayish refractory material used to fill a blast-furnace taphole) within TKRL’s main factory in Belpahar (Odisha, India) to accommodate the expected growth in refractory demand as the steel output of India increases.

Krosaki has discussed details to realize the construction of said plant through a joint venture with IFGL REFRATORIES LIMITED—an Indian refractory manufacturer in which we have a stake. The joint venture would be dissolved upon the commencement of the mud plant construction at TKRL.

We will continue to pursue strategic business development in collaboration with TKRL and seek sales expansion not only in India but also in Europe, Southeast Asia and other overseas markets.

**Outline of the Mud Plant**

- Money invested: About 200 million Indian rupees
- Production capacity: 18,000 tons a year (3 shifts)
- Mud types produced: Tar mud and resin mud
- Commencement of operation: September 2012 (planned)

**<Reference> Profile of TKRL**

- 1) Name: TRL KROSAKI REFRATORIES LIMITED
- 2) Head Office: Kolkata, West Bengal, India
- 3) Capital: 209 million Indian rupees
- 4) Owners: Krosaki Harima Corporation 51%, TATA STEEL LIMITED Group 26.5% and others
- 5) Net Sales: About 10 billion Indian rupees (fiscal year ended March 31, 2011)