

September 6, 2011

Dear Shareholders,

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

**Notice of Raising the Refractories Production Capacity
at TRL KROSAKI REFRACTORIES LIMITED in India**

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

With the new subsidiary as a driving force to pursue its growth strategies in India, Krosaki announced its decision on July 26, 2011, to construct a mud plant within TRL Krosaki’s main factory in Belpahar (Odisha, India) to capture the anticipated growing refractory demand as the steel output of India increases. In line with these strategies, Krosaki today also announced that it will raise the capacity of a plant within said factory that produces SN plates and other refractories that are mainly used to control the flow of molten steel in ladles and continuous casting equipment in the process of steel production.

The plant’s current capacity is 300 tons per month, which is outweighed by the monthly sales of its products (400 tons per month). In addition, the future growth of steel output in India is expected to boost the demand for said products. For these reasons, Krosaki made the aforementioned decision, as well as a decision to transfer its production technologies to ensure the high quality of said products, which is demanded in India.

Krosaki will continue to pursue strategic business initiatives in alliance with TRL Krosaki to expand its sales, not only in India but also in other overseas markets, including Europe and Southeast Asia.

Outline of the Capacity Enhancement

- Money invested: About 700 million Indian rupees
- Production capacity: About 8,000 tons a year (current capacity: 3,600 tons a year)
- Product items: SN plates and other refractories for controlling the flow of molten steel
- Commencement of operation: September 2013 (planned)

<Reference> Profile of TRL Krosaki

- 1) Name: TRL KROSAKI REFRACTORIES 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)