



Covalent Materials Corporation
Nissei Bldg., 6-3, Osaki 1-chome, Shinagawa-ku,
Tokyo 141-0032, Japan

The English translation is provided for the information purposes only. If any discrepancy arises between this translation and the Japanese original, the Japanese original shall prevail.

September 4, 2012

To whom it may concern

Covalent Materials Corporation

Re: Extension of Bondholders Meeting concerning Amendment to the Terms and Conditions (Extension of Maturity Date, etc.) of the 1st Series Unsecured Bonds

Today, the board of directors of Covalent Materials Corporation (the “Company”), upon reexamination of the timing of the bondholders meeting (the “Bondholders Meeting”) to be held in relation to the 1st Series Unsecured Bonds (with inter-bond pari passu clause) (ISIN code: JP330135A829) (the “Bond”), resolved to cancel the convocation of the Bondholders Meeting which was originally scheduled for September 12, 2012, as noticed in the “Convocation Notice for Bondholders Meeting of Covalent Materials Corporation 1st Series Unsecured Bonds (with Inter-Bond Pari Passu Clause)”, dated July 31, 2012 on the grounds that, among others, the Company has received comments from Bondholders that the original schedule did not allow them sufficient time for consideration on the agenda for the Bondholders Meeting. The Company currently plans to reschedule the Bondholders Meeting to be held on October 5, 2012, and will announce once a formal determination is made.

Should there be any change in proposal for the Bondholders Meeting, the Company will announce any such change once determined. Furthermore, in the case that there is any change in proposal for the Bondholders Meeting, the conditions for the Purchase Offer for the Bonds in the press release “Re: Offer to Purchase the 1st Series Unsecured Bonds”, dated August 21, 2012 may possibly be subject to change as well.

Assuming that the Bondholders Meeting is rescheduled to be held on October 5, 2012 as currently planned, submission deadlines for necessary documents will be extended, as set forth in the table below. As for Bondholders who have already submitted necessary documents to the Company, the Certification under Article 86 (the document certifying matters set forth in each of the Items of Article 68, Paragraph 3 of the Act on Book-Entry Transfer of Company Bonds, Shares, etc. delivered by an immediate account management institution or book-entry institution under Article 86, Paragraph 3 of the aforementioned Act) and the documents submitted by the bondholders on the presentation procedure of

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Certification under Article 86 shall continue to be held temporarily by the Company until the end of the Bondholders Meeting on October 5, 2012 unless otherwise requested by relevant bondholders. If Bondholders so request, these documents will be returned to Bondholders. Please contact the Company at the contact detail below for any such requests.

As for the “Diverse Exercise of Voting Rights (Notice)” and the “Voting Form” that have already been submitted, the Company will promptly make arrangements for returning these documents.

For Reference: procedures regarding the rescheduled Bondholders Meeting, assuming the rescheduled date of the meeting to be October 5, 2012

Procedure	Schedule	Remarks
Issuance procedure of Certification under Article 86	Please take the procedures in order to present Certification under Article 86 by the presentation deadline set forth below.	Please take the procedures in accordance with (1) below.
Presentation of Certification under Article 86	~September 27th	Please take the procedures in accordance with (2) below. The Company will send the new format of the Request for Issuance of Receipt.
Diverse exercise of voting rights	~October 1st	Please submit the document titled “Diverse Exercise of Voting Rights (Notice)” The Company will send the new format of the notice. Please contact the company in order to provide a reason for the diverse exercise of voting rights in advance, in accordance with (3) below.
Exercise of voting rights in writing (send voting form to convener)	~October 4th	Please take the procedures in accordance with (4)(A) below. The Company will send the new format of the voting form. Please note that when exercising the voting rights, Certification under Article 86 needs to be submitted.
Attendance to the bondholders meeting and exercise of voting rights	October 5th	Please take the procedures in accordance with (4)(B) below. The Company will send the new format of the voting form.

The Company would like to express its most sincere apologies for the inconvenience due to the rescheduling of the Bondholders Meeting. The Company is currently in ongoing negotiations with financial institutions while implementing various measures in order to establish financial stability, increased profitability and continuous growth. The Company would like to express its most sincere apologies again for the inconvenience it has caused its bondholders, and is increasingly committed to drastic revitalization. Lastly, the Company greatly appreciates the continued support it has received from its Bondholders.

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* For inquiries regarding the bondholders meeting:

Accounting & Finance, Finance Group,
Covalent Materials Corporation

For English communication, please contact us at the E-mail address below.
(E-mail: IR-contact@covalent.co.jp Mobile: +81-70-6526-8230)

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(1) Issuance procedure of Certification under Article 86

- In order for the bondholders who hold book-entry company bonds to exercise their voting rights, it is necessary to present Certification under Article 86 to the convener (Note: if the bondholders have already done this issuance procedure and will not return Certification under Article 86 to the relevant immediate account management institution or book-entry institution and hold by themselves or have the Company hold until the Bondholders Meeting on October 5, 2012, they are not required to take this procedure again):

- (i) Documents to be submitted
Request for Issuance of Certification under Article 86
- (ii) Place of submission
Relevant immediate account management institution or book-entry institution
- (iii) Deadline of submission
Upon considering the presentation deadline of Certification under Article 86 set forth in (2) below, please take the procedure promptly.

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- (2) Presentation procedure of Certification under Article 86 (Note: if the bondholders have already submitted the Certification under Article 86 and make no request to return, they are not required to take this procedure again)

- (i) Documents to be submitted
 - (a) Certification under Article 86
 - (b) Request for Issuance of Receipt (with registered seal)
 - (c) Certificate of Registered Seal Impression
 - (ii) Place of submission
 - 6-3, Osaki 1-chome, Shinagawa-ku, Tokyo 141-0032, Japan
 - Accounting & Finance, Finance Group,
 - Covalent Materials Corporation
 - TEL +81-3-5437-8405
 - E-mail IR-contact@covalent.co.jp
 - (iii) Deadline of submission
 - No later than September 27, 2012 (Thursday) (Tokyo time)
- (Note 1) After the submission of Certification under Article 86, “receipt” will be sent by Covalent Materials Corporation.
- (Note 2) During the period when Certification under Article 86 is submitted, you may not transfer, pledge, or make other disposal of the bonds.

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(3) Submission procedure of Diverse Exercise of Voting Rights (Notice)

(i) Documents to be submitted

(a) Diverse Exercise of Voting Rights (Notice) (The Company will send the new format.)

(ii) Place of submission

6-3, Osaki 1-chome, Shinagawa-ku, Tokyo 141-0032, Japan

Accounting & Finance, Finance Group,

Covalent Materials Corporation

TEL +81-3-5437-8405

E-mail IR-contact@covalent.co.jp

(iii) Deadline of submission

No later than October 1, 2012 (Monday) (Tokyo time)

(Note) Please contact the company in order to provide a reason for the diverse exercise of voting rights in advance.

(4) Procedure of Exercising Voting Rights

(A) Exercising voting rights in written form submitted in advance

- (i) Documents to be submitted
 - (a) Voting form (with registered seal) (The Company will send the new format.)
 - (b) Original copy of receipt
- (ii) Place of submission
 - 6-3, Osaki 1-chome, Shinagawa-ku, Tokyo 141-0032, Japan
 - Accounting & Finance, Finance Group,
 - Covalent Materials Corporation
 - TEL +81-3-5437-8405
 - E-mail IR-contact@covalent.co.jp
- (iii) Deadline of submission
 - No later than 5:00 PM (Tokyo time) on October 4, 2012 (Thursday)
- (iv) Procedure to return Certification under Article 86
 - The Company will send Certification under Article 86 by mail on or after the day following the Bondholders Meeting.

(B) Exercising voting rights by attending Bondholders Meeting

- (i) Documents to be submitted if the bondholder attends the meeting in person
 - (a) Voting form (with registered seal) (The Company will send the new format.)
 - (b) Original copy of receipt
 - (c) Identity verification documents of the bondholder
- (ii) Documents to bring if proxy attends the meeting
 - (a) Voting form (with registered seal)
 - (b) Original copy of receipt
 - (c) Proxy
 - (d) Identity verification documents of the proxy
- (iii) Procedure to return Certification under Article 86
 - Certification under Article 86 will be returned in exchange for the entrance tag given in exchange for receipt on the reception on the day after the end of the bondholders meeting. If Certification under Article 86 may not be returned as above, Certification under Article 86 will be sent by mail by the Company on or after the day immediately following the date of the Bondholders Meeting to the “Contact address” on the Request for Issuance of Receipt.
 - (Note) Please present the voting form when attending the bondholders meeting.