



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

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September 28, 2012

To Whom It May Concern

Covalent Materials Corporation

Re: Bondholders' Intention concerning Amendment to the Terms and Conditions (Extension of Maturity Date, Increase in Interest Rate, Increase in Redemption Amount, etc.) and Offer to Purchase of the 1st Series Unsecured Bonds (part 2)

Covalent Materials Corporation (the "Company") announced in the press release "Re: Bondholders' Intention concerning Amendment to the Terms and Conditions (Extension of Maturity Date, Increase in Interest Rate, Increase in Redemption Amount, etc.) and Offer to Purchase of the 1st Series Unsecured Bonds", dated September 14, 2012, that a group of bondholders expressed their intention related to the bondholders meeting, as well as the offer to purchase of the 1st Series Unsecured Bonds (the "Bonds").

Today, the Company was informed by a group of bondholders (the "Group") represented by Blackstone Advisory Partners L.P., that approximately 65% of the total Bonds outstanding have agreed to vote in favor of the proposal at the bondholders meeting and tender all Bonds held by them into the purchase offer at the terms referred to in the press release "Re: Holding of Bondholders Meeting concerning Amendment to the Terms and Conditions (Extension of Maturity Date, Increase in Interest Rate, Increase in Redemption Amount, etc.) and Offer to Purchase of the 1st Series Unsecured Bonds", dated September 13, 2012.



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Furthermore, based on voting forms received by the Company to date, and combined with the Group's holdings, the Company believes it will receive more than 2/3 of the total outstanding Bonds voting in favor of the proposal at the bondholder meeting.

For details related to the proposal and the conditions of the purchase offer, please refer to the press release "Re: Holding of Bondholders Meeting concerning Amendment to the Terms and Conditions (Extension of Maturity Date, Increase in Interest Rate, Increase in Redemption Amount, etc.) and Offer to Purchase of the 1st Series Unsecured Bonds", dated September 13, 2012.

* 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)

Note:

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The contents of this press release have not been reviewed by any regulatory authority in Hong Kong. You are advised to exercise caution in relation to the offer. If you are in any doubt about any of the contents of this press release, you should obtain independent professional advice.

Nothing in this press release is intended to be an offering of any Bonds or any form of securities in Hong Kong, by means of any document. Any offer to repurchase the Bonds is only available to existing holders of the Bonds who are (a) "professional investors" as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong (the "SFO") and any rules made thereunder; or (b) in other



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circumstances which do not result in the press release or any accompanying document being a “prospectus” as defined in the Companies Ordinance (Cap. 32) of Hong Kong (“CO”) or which do not constitute an offer to the public within the meaning of the CO.

No advertisement, invitation or document relating to the Bonds, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) has been or will be issued other than with respect the Bonds which are or are intended to be acquired only from persons outside Hong Kong or only from existing holders of the Bonds who are “professional investors” as defined in the SFO and any rules made thereunder or whose dealings are otherwise permitted under the SFO or the CO.