

COVALENT

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

<Not for distribution in or into the United States>

The English translation is provided for information purposes only. If any discrepancy arises between this translation and the Japanese original, the Japanese original shall prevail. This press release may not be published, distributed, or diffused in the United States of America. This press release is not an extension into the United States or the offer mentioned herein. Please see the important notice at the end of this press release.

[Translation]

October 5, 2012

To Whom It May Concern

Covalent Materials Corporation

Re: Administrative Agents concerning the Offer to Purchase of the 1st Series Unsecured Bonds and Procedure to Open an Account

Covalent Materials Corporation (the “Company”) announced in the press release “Re: Resolution of the Bondholder’s Meeting held concerning Amendment to the Terms and Conditions (Extension of Maturity Date, Increase in Interest Rate, Increase in Redemption Amount, etc.) of the 1st Series Unsecured Bonds” dated October 5, 2012 that the Company’s proposal concerning amendment to the terms and conditions of the 1st Series Unsecured Bonds (with inter-bond pari passu clause) (ISIN code: JP330135A829) (the “Bonds”) has been approved in the bondholder’s meeting held today, and that the Company expects to file for an approval with the Tokyo District Court shortly, with respect to the such resolution of the bondholder’s meeting.

Furthermore, the Company plans to commence an offer to purchase the Bonds (the “Purchase Offer”) which is subject to, among other things, the approval of the proposal at the bondholder’s meeting of the Bonds and the court’s approval of such resolution of the bondholder’s meeting, as the Company has announced in the press release “Re: Holding of the 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 an outline of the terms of the Purchase Offer,

COVALENT

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

<Not for distribution in or into the United States>

please refer to “4. Outline of Purchase Offer” included in the press release dated September 13, 2012, described above.

The Company would like to hereby announce that it has retained administrative agents for the Purchase Offer, in order for bondholders interested in participating in the Purchase Offer to be able to prepare in advance of the commencement of the Purchase Offer. As for detailed procedures of the Purchase Offer, the Company expects to announce this information shortly. Bondholders interested in participating in the Purchase Offer are kindly requested to open accounts with either one of the administrative agents below (bondholders who already hold an account with either of the administrative agents are not required to newly open an account). Non-Japanese Resident bondholders are recommended to open accounts at either of the administrative agents at an early stage, considering that this procedure tends to take longer for non-Japanese resident bondholders.

1. Administrative agents for the Purchase Offer

* Mizuho Securities Co., Ltd.

Contact information regarding the Purchase Offer:

Japanese Residents

Wealth Management Group

Address: JA Building, 3-1, Otemachi 1-chome, Chiyoda-ku, Tokyo 100-6825

Tel: 03-6704-5365

Person in charge:

Mr. Nishigaki

(Email) futoshi.nishigaki@mizuho-sc.com

Non-Japanese Residents

Fixed Incomes Sales Dept I

Address: Otemachi First Square, 5-1, Otemachi 1-chome, Chiyoda-ku Tokyo
100-0004

Tel: +81-3-5208-2924

Persons in charge:

Mr. Kawamata

(Email) hiroyuki.kawamata@mizuho-sc.com

Mr. Hong

(Email) myungjun.hong@mizuho-sc.com

COVALENT

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

<Not for distribution in or into the United States>

For bondholder already holding an account with Mizuho Securities Co., Ltd., please contact the person(s) in charge of your existing account.

*** SMBC Nikko Securities Inc.**

Contact information regarding the Purchase Offer:

Japanese Residents

Institutional Business Operation

Address: Shin-Marunouchi Building, 5-1, Marunouchi 1-chome, Chiyoda-ku
Tokyo 100-6524

Tel: 03-3283-5660

Persons in charge:

Ms. Katakabe,

(Email) katakabe_noriko@smbcnikko.co.jp

Ms. Nagatani

(Email) nagatani_ayako@smbcnikko.co.jp

Mr. Hasegawa

(Email) hasegawa_tsuyoshi@smbcnikko.co.jp

Non-Japanese Residents

Overseas Client Operation/ Institutional Business Operation

Address: Fukagawa Gazaria W1, 5-55, Kiba 1-chome, Koto-ku, Tokyo
135-8532

Tel: +81-3-5857-0270

Persons in charge:

Ms. Sekiguchi

(Email) sekiguchi.atsuko@smbcnikko.co.jp

Mr. Sato

(Email) sato.tomonori@smbcnikko.co.jp

2. Procedure to open an Account

Bondholders interested in participating in the Purchase Offer will be required to hold an account with either of the administrative agents above. Bondholders who do not hold an account with either of the administrative agents will be required to newly open an account

COVALENT

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

<Not for distribution in or into the United States>

with either of the administrative agents (bondholders who already hold an account with either of the administrative agents are not required to newly open an account). Furthermore, identity verification documents will need to be prepared in order to newly open an account. Please note that institutional non-Japanese resident bondholders seeking to newly open an account will be required to present identity verification documents of the person in charge of the trading activity on the account. If such identity verification documents would not be presented, it may be refused to open an account.

For details, please contact the administrative agents at the contact information provided above.

The Company intends to announce the commencement of the Purchase Offer shortly after obtaining the court's approval of the resolution of the bondholder's meeting, in which detailed procedures related to participating in the Purchase Offer will be described.

* For inquiries regarding this matter:

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:

This press release may not be published, distributed, diffused or otherwise sent into the United States of America (including its territories and possessions, every State in the United States and the District of Columbia). This press release does not constitute an extension into the United States of the tender offer mentioned in this press release.

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

COVALENT

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

<Not for distribution in or into the United States>

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 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.