



**Covalent Materials Corporation**  
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April 10, 2012

Regarding Japan Credit Rating Agency, Ltd. Announcement

Japan Credit Rating Agency, Ltd. (hereinafter "JCR") has announced today, to downgrade the debts and bond ratings of Covalent Materials Corporation (hereinafter "CV") as follows.

	(Previous)	(New)
Long-term Senior Debts Rating	#BBB- / Negative	#BB+ / Negative
Bond Rating	#BBB- / Negative	#BB+ / Negative

As CV has announced on March 29, CV has completed the divestiture of its silicon wafer business to Sino-American Silicon Product Inc. (Taiwan) and CV believes that, as also indicated by JCR indicated, "the financial and management stability of CV will be improved" as the result of the divestiture. In addition, the main financial institutions continue to support CV after the silicon divestiture. Given such circumstances, CV is greatly disappointed with the downgrade decision made by JCR.

CV will strive to strengthen its business by concentrating its management resources in the ceramics business area and continuing to focus on building a franchise that generates sustainable profits and growth as a pure ceramics company.

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