



Covalent Materials Corporation
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June 26, 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	#BB+/Negative	#CCC/Negative
Bond Rating	#BB+/Negative	#CCC/Negative

CV is undertaking to improve financial and management stability with continuing support from the main financial institutions. CV is greatly disappointed by the downgrade decision made by JCR given such circumstances.

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

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