

**Completion of the Transfer of the Silicon Wafer Business
to Sino-American Silicon Products Inc.**

In August 2011, Covalent Materials (“Covalent”) agreed to transfer its silicon wafer business to Sino-American Silicon Products Inc. of Taiwan (“SAS”), and procedures to accomplish the transfer have moved forward. With this notice, we inform you that the transfer is now complete, which we detail below.

1. Date of transfer: March 29, 2012
2. Circumstances related to the transfer
On November 30, 2011, the Covalent Group implemented a corporate split, and all of Covalent’s silicon wafer businesses were consolidated into Covalent’s subsidiary, Covalent Silicon Corporation. On March 29, 2012, Covalent transferred all shares of Covalent Silicon Corporation to GWafers, a 100%-owned subsidiary of SAS. Accordingly, this completes the entire transfer of the silicon wafer business to SAS.
3. Subsidiaries
As a result of this transfer, Covalent Silicon Corporation and Covalent Materials Sekikawa Corporation will no longer be subsidiaries of Covalent.
4. Future of the Covalent Group
After the transfer of the silicon wafer business, the Covalent Group will concentrate its management resources in two fields as a specialty ceramics manufacturer: semiconductor and liquid crystal-related parts, and energy and environmental-related parts. We will move forward by building a business organization that promotes high growth and high profitability.

For any questions or concerns on this matter, please contact:

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