

May 7, 2010

Nitto Denko and Mitsubishi Rayon to Wind Down JV for Water Membranes Technology Development

Japan's leading diversified materials manufacturer Nitto Denko Corporation (Nitto Denko) and Mitsubishi Rayon Co., Ltd. (MRC), leading manufacturer of specialty chemicals, had announced in May 2007, to "jointly establish a company for developing water treatment membrane technologies as an initial step envisaging a possible future consolidation of the parties' water treatment businesses."

While Nitto Denko and MRC are pleased to note that their joint venture company Kathyd Technology, LLC located in the U.S. has achieved certain results in the technical development aimed at application technologies of water treatment membranes, they have agreed as follows, also considering the changes taking place in the business environment.

Namely, to let the joint venture agreement come to an end as of its expiration date of May 31, 2010, and to also end the series of moves being made with the eventual consolidation in sight, provided, however, that the cooperative arrangement between Nitto Denko and MRC mainly focusing on sales, will be continued.

Details of the Joint Venture Company

1. Company Name: Kathyd Technology, LLC
2. Head Office Location: Oceanside, California, U.S.A.
3. Paid-in Capital: \$1 million (at the time of establishment)
4. Shareholding Ratio: Hydranautics (*): 50%
(*) Nitto Denko's 100% U.S. subsidiary
Mitsubishi Rayon America Inc. (**): 50%
(**) MRC's 100% U.S. subsidiary
5. Corp. Representatives:
Nitto Denko: Minoru Kikuoka, Head of Membrane Div., Nitto Denko,
and CEO, Hydranautics
MRC: Tatsuo Fukunishi, Board Member and Gen. Mgr., Aqua Div.,
Mitsubishi Rayon Engineering Co., Ltd.
6. Establishment Date: June 1, 2007
7. Business Activity: Development of micro-filter (MF) membrane modules for:
 - Sea water pre-treatment prior to desalination and
 - Treatment of wastewater from sludge filtrationDevelopment of practical application technologies based on combining the MF and Reverse Osmosis (RO) membrane technologies developed by the JV

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