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For Immediate Release

Mitsui and Cytec's Joint Venture to be Reconstituted

Mitsui Chemicals, Inc. (MCI) of Japan and Cytec Industries Inc. (Cytec) of the United States have agreed to reshuffle the business now being operated by their Japanese 50/50 joint venture Mitsui Cytec, Ltd. (MCY) by the end of September this year, with each partner taking over the separate portions of MCY's 8-billion yen/yr business, MCI announced today.

Now that the businesses nurtured over the years at MCY have become sufficiently full-fledged, MCY's restructuring this time will be executed with the aim of allowing each partner to operate the respective business taken over as its own core business, as a platform for further expansion and leap forward. Moreover, commensurate with the arrangement this time, the partners will dissolve the joint venture MCY.

More specifically, MCY's water treatment chemicals (WTC) business will be transferred to MCI to become a fully owned subsidiary called "Mitsui Chemicals AquaPolymer, Inc." (MAP). Of MCY's remaining business comprising coating resins, "Cymel" business will become a fully owned part of Cytec while "U-VAN" business will be transferred to MCI.

To be capitalized at 460 million yen and headquartered in Tokyo, MCI's new 50-person strong subsidiary MAP is expected to kick off its operation on October 1, 2003 and achieve annual sales of some 4 billion yen. The company will engage in the manufacture, sale and R&D of WTC, with a production plant of 11,000-ton/yr capacity located within MCI's Mobara Works, Chiba Prefecture. The president of the new company has not yet been nominated.

Behind the move this time is MCI's intention to strengthen and expand its WTC business together with the paper-strengthening agent business, both as a part of an integrated amide chemicals operation starting from the raw material acrylamide. On the other hand, "U-VAN" coating resins business is mainly focused on automotive applications, with expansion into the Chinese market being pursued as a part of MCI's drive into the growing Asian market.

MCI and Cytec have always maintained an outstanding cooperative relationship since MCY's establishment in 1976, and a further continuation of such relationship is anticipated through MCI's supply of raw materials and utilities to Cytec's operation of the business to be taken over this time.

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