



November 27, 2014

Name: Nihon Nohyaku Co.,Ltd.

President: Yohichi Kohyama

Code Number: 4997

Reference: Toyokazu Iijima,

Executive officer,

General Manager of General Affairs Department

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Nihon Nohyaku Co., Ltd. to Acquire Hyderabad Chemical Limited

We, NIHON NOHYAKU CO., LTD., (President : Yohichi Kohyama, head office at Chuo-ku, Tokyo, Japan) passed a resolution today at its Board of Directors' meeting to acquire 74% of ordinary shares of Hyderabad Chemical Limited (hereinafter referred as "**HYDERABAD**") who is medium-sized agrochemical manufacturer having own distribution network and R&D function in India.

The transaction is expected to close at the end of January 2015. After completion of related procedures we start joint operation with current shareholders. We are also planning to dispatch Board of Directors/Officers/Managers to jointly operate the company in the near future.

The total agrochemical market in India is to reach about 200 billion yen and the market size is expected to grow further. As an important market for our main products such as APPLAUD (Buprofezin) and PHOENIX (Flubendiamide), we have been seeking the possibility to establish direct sales system and production function in India. As a result of various discussions with shareholders of **HYDERABAD**, we decided to participate in the company for the following reasons:

- **HYDERABAD** matches our business strategy for establishing direct sales system in India where the agrochemical market is expected to grow.
- **HYDERABAD** has cost competitive production system and by utilizing its technology and capacity, it is expected to boost our business not only in India but also in other countries.
- Through the joint operation with current shareholders and management team, we can contribute to agriculture and society in India more than ever by creating greater value to customers.

We have been promoting the medium-term management plan "Shift for Growing Global 2015(SGG2015)" since the beginning of fiscal year 2013, aiming to expand scale of business operations and improving profitability. Under the philosophy of "Contributing to society by the new value creation through the invention of new agrochemicals continuously", we are continuously trying to expand its business by seeking M&As, alliances and acquiring products in a positive

manner based on two pillars of implementing growth strategy and seeking a high-profit structure. We believe this investment in **HYDERABAD** has high significance from the above-mentioned standpoints.

Outline of **HYDERABAD**

Company Name : Hyderabad Chemical Limited
Location : Hyderabad, Telangana State, Republic of India
Sales Turnover : About USD 65 Million (*For the year ended March 2014, Agrochemical Business)
Shareholders : Promoters Group 26%
Nihon Nohyaku Group 74% (*After completion of the transaction)
Chairman of the Board : Mr. Dipesh K. Shroff
Managing Director : Mr. Nellore Sukumar

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