

March 2, 2016

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### **Nihon Nohyaku's view on the report of Flubendiamide registration in the United States of America**

On March 2nd, 2016, Reuters reported that Environmental Protection Agency (EPA) had announced "Notice of Intent to Cancel Pesticide Registrations" on registration of flubendiamide, a horticultural insecticide, in the US. On this matter, our view is as follows.

#### **【Summary】**

Flubendiamide was first registered in August 2008 as a "Conditional Registration." Ever since that time, Bayer Crops Science LP and Nichino America Inc. (hereinafter "Registrants") have expanded the registration into many crop uses in the US. Although the Registrants expanded and maintained the registrations of flubendiamide and sincerely responded to EPA's original requests under the Conditional Registration, EPA requested a "Voluntary Cancellation" due to environmental concerns at the end of January 2016.

However, the Registrants officially refused the "Voluntary Cancellation" request because it was issued without valid scientific discussion on the methods used by EPA.

Based on the response from the Registrants, on March 1st 2016, EPA issued a "Notice of Intent to Cancel Pesticide Registrations (NOICPR)" based on Federal Insecticide, Fungicide, and Rodenticide Act (FIFRA). Hereafter, the Registrants, supported by their respective parent companies - Bayer Crop Science AG (BCSAG) and Nihon Nohyaku (NNC) - will request the Hearing by office of Administrative Law Judge at the EPA. With all possible means including the Hearing, the Registrants, BCSAG and NNC will attempt to solve the problem and maintain the registrations of flubendiamide.

#### **【The Company View and influence to the business】**

The Registrants, BCSAG and NNC find it unacceptable and disagree with EPA's request as EPA's environment concern is based on scientifically improper methodology. Even though administrative and judicially action will begin following US Act, sales and use of flubendiamide is permitted. Additionally, even if the flubendiamide registration were to be canceled in US, our sales in US are limited. Therefore, at this moment, this will cause limited impact on this year's business results.

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