

February 5, 2010

Nippon Flour Mills Co., Ltd. Consolidated Financial Results for the Third Quarter of FY2010
and Forecast of Full Year Consolidated Results and Dividends for FY2010

The consolidated financial results of Nippon Flour Mills Co., Ltd. (Chairman, President, CEO & COO: Hiroshi Sawada) for the third quarter of the fiscal year ending March 2010 showed sales of ¥200.9 billion, operating income of ¥10.1 billion, ordinary income of ¥10.5 billion and net income of ¥6.0 billion.

1. Overview of Consolidated Operating Results for the Third Quarter of the Fiscal Year ending March 2010

During the third quarter of the fiscal year ending March 2010, the Japanese economy was emerging from a severe recession, thanks partly to the effects of a series of economic measures. Consumer spending remained weak, however, due to deterioration in the employment environment and a rise in the unemployment rate, and the economy continued to experience challenges. The flour milling industry revised its product prices because the government reduced the sale price of imported wheat for five brands by an average of 14.8% last April and an average of 23% last October, reflecting a fall in international wheat prices.

Under these circumstances, the Nippon Flour Mills Group (“the Group”) has done its utmost to achieve the objectives of the 08/09 SG100 New Business Plan by strengthening its competitiveness and cutting costs not only in its core flour milling business, but also throughout the Group’s business domains.

- 1) In the Flour Milling segment, the Group developed new products, held cookery workshops, and executed vigorous sales and marketing campaigns, including proposal-driven sales, to meet customers’ needs and diverse preferences regarding food. As a result, the sales volume increased from the previous year. The sale price of wheat was revised in May and November, however, because the government reduced the sale price of imported wheat last April and October. Consequently, sales declined from the previous year. Sales of wheat bran, a by-product, were lower than a year earlier, reflecting a drop in the price of grain.

As a result, net sales in the Flour Milling segment declined 4.1% from the previous year, to ¥78.6 billion, and operating income decreased 11.3%, to ¥4.7 billion.

- 2) In the Food segment, we focused on the development of special new products based on the concepts of health, safety and simplicity, and marketing activities such as participating in various exhibitions and holding cooking workshops. Meanwhile, we revised the prices of wheat-related products due to the government’s reduction of the sale price of imported wheat. Sales of premixes rose from the previous year due to an increase in the sales volume of premixes for business and home use. Sales of frozen ingredients and foods rose, thanks to the effect of introducing new frozen spaghetti products for home use.

As a result, net sales in the Food segment declined 6.0% from the previous year, to ¥100.4 billion, and operating income increased 33.6%, to ¥5.4 billion.

- 3) In the Other segment, sales of pet food products increased, reflecting a rise in sales volume. In addition, sales in the engineering business also increased from the previous year.

As a result, net sales in the Other segment rose 2.4% from the previous year, to ¥21.9 billion.

2. Forecast of Consolidated Financial Results and Dividends for the Fiscal Year Ending March 2010

In the current recession, there is concern about the possibility of a further decline in demand and the strengthening of the deflationary trend. The challenging business environment is expected to continue. To overcome these difficult circumstances, the Group intends to expand sales and further reduce costs in its core flour milling business, as well as in the other businesses. In addition, the Group will boost its competitive power by making a series of large capital investments totaling ¥17.0 billion yen to accelerate its structural reform, including the group companies (i) increase of flour milling lines and construction of new raw material silos in the Kobe-Konan Mill, (ii) integration of the Takasaki Plant of NIPPON Frozen Food Co., Ltd. into its Ryugasaki Plant, (iii) increase and improvement of production facilities and equipment of the Chiba Mill of NPF Japan Co., Ltd. a pet food manufacturer, and (iv) advanced integration into the Kaminokawa Plant of Matsuya Flour Mills Co., Ltd., which produces

buckwheat flour, and business expansion for products other than buckwheat, such as rice flour). In terms of overseas business, we will expand by increasing the production capacity of the premix mill of NIPPON (Thailand) Co., Ltd., our overseas affiliate in Thailand.

Accordingly, we forecast consolidated net sales of ¥265.0 billion, operating income of ¥12.0 billion, ordinary income of ¥12.0 billion and net income of ¥7.0 billion for the fiscal year ending March 2010, which is the final year of the 08/09 SG100 New Business Plan.

As to final dividends, to thank our shareholders for their continued support, we plan to increase the dividend amount from the previous forecast by 2 yen per share, to 6 yen per share. As a result, the annual dividend is expected to be 10 yen per share.