

June 3, 2008

### **Operations get fully underway at completed NPF Japan Co., Ltd. Chiba Plant**

Work has finally been completed on the new plant belonging to NPF Japan Co., Ltd. (President: Keitaro Kida), the Nippon Flour Mills Group subsidiary responsible for the manufacture and sale of pet food and other such products. Located on a site adjacent to Nippon Flour Mills' own Chiba Mill, a ceremony was held to mark the completion of the plant on Friday May 30, with operations getting fully underway in June.

In addition to growing demand as a result of pets increasingly being considered part of the family, consumers are also demanding a wider range of pet food products, including age-specific and functional products. In view of this and the fact that the company's Nagoya Plant was already operating at full capacity, the decision was made to construct a new plant in the Kanto area in an effort to cater to a diverse range of consumer needs. NPF Japan now has a supply structure that operates from two plants in east and west Japan.

Whilst making use of existing facilities wherever possible (storage sheds, material silos, product tanks, warehouses, etc.) the new plant is also equipped with new Wenger X235 extruders and has an annual production (granulation) capacity of 50,000 tons based on a three-shift system of operations. At the same time, the current three-shift system at the Nagoya Plant, which enables an annual production (granulation) capacity of 55,000 tons, will be moved down to a two-shift system offering an annual capacity of 30,000 tons. The two plants combined will therefore have an initial annual production (granulation) capacity of 80,000 tons (an increase of 25,000 tons on current production levels).

The Nippon Flour Mills Group intends to actively promote peripheral lines of business targeting demand for pet and lifestyle products in the future, including expanding operations in the growth pet food market.

#### **[Outline of the new plant]**

1. Name	NPF Japan Chiba Plant
2. Location	229-3 Shinminato, Mihama-ku, Chiba
3. Site area	15,616m <sup>2</sup>
4. Commenced operations	June 2008
5. Production capacity	50,000 tons (annually)
6. Capital investment	¥1.25 billion (excluding land)

#### **[Outline of NPF Co., Ltd.]**

1. Head Office	229-3 Shinminato, Mihama-ku, Chiba
2. Chiba Plant	229-3 Shinminato, Mihama-ku, Chiba
3. Nagoya Plant	2-9-16 Chidori, Minato-ku, Nagoya
4. Capital	¥300 million
5. Business activities	Manufacture and sale of pet food