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Nippon Flour Mills Accelerating Structural Reforms
Series of Large-Scale Facility Investments (Totaling 17 Billion Yen)

Nippon Flour Mills Co., Ltd. (Chairman, President, CEO & COO: Hiroshi Sawada) has decided to accelerate structural reforms, which also involve Group companies, to respond to the changing business climate. It will make a series of large-scale facility investments totaling 17 billion yen. The facility investments for each division are outlined below.

1) Flour milling division

Facilities at the Kobe-Konan Mill will be improved to strengthen the supplying capacity for the Kansai region, boost productivity at mills and reduce costs by improving the acceptance system for raw materials for wheat.

i) Mill: Addition of one line with material processing capacity of 420 tons/day

(After addition: 950 tons/day)

ii) Material silo: New silo with capacity of 20,000 tons

iii) Investment: Approx. 11.5 billion yen

iv) Construction period:

Mill: construction starts in spring of 2010, planned completion in 2012

Material silo: construction starts in spring of 2010, planned completion in 2011

2) Frozen foods division

NIPPON Frozen Food Co., Ltd. (President: Shunji Imoto), a manufacturer of frozen foods, is transferring and integrating production facilities of the Takasaki Plant, which will be closed, to the Ryugasaki Plant.

The Ryugasaki Plant will expand and some manufacturing processes will be transferred to a partner company.

This supports cost reduction for staple products, including frozen pasta.

i) Investment: Approx. 2.3 billion yen

ii) Construction period: 2009-2010

3) Pet foods division

NPF Japan Co., Ltd. (President: Keitaro Kida), which manufactures and sells pet food, established its Chiba Plant in June last year to increase the supply capacity to the East Japan region. Because of continued growth in orders, further expansion of supply capacity is needed.

Orders are expected to continue increasing so the decision was made to expand and improve the plant's facilities.

This enables even greater supply capacity to be realized, along with the Nagoya Plant.

i) Investment: Approx. 800 million yen

ii) Construction period: 2009-2010

4) Buckwheat flour and rice flour business

Matsuya Flour Mills Co., Ltd. (President: Tsuneo Maeda), which manufactures and sells buckwheat flour and mixed buckwheat flour products, has worked to relocate its facilities to the Kaminokawa Plant (Kaminokawa-machi, Tochigi prefecture) to improve and rationalize production facilities.

The first phase of construction is already complete and facilities are in operation. The schedule for the second phase has been moved up. The main plant (Utsunomiya City, Tochigi Prefecture) will be closed, and all functions will be integrated at Kaminokawa Plant.

i) Investment: Approx. 1.1 billion yen

ii) Construction period: 2011

The rice wheat production facilities of Mizuho Foods Co., Ltd. (Kakogawa City, Hyogo Prefecture) will also be converged in the Kaminokawa region to strengthen the production efficiency of small manufacturing businesses.

i) Investment: Approx. 1.3 billion yen

ii) Construction period: 2011

The above investments will be entirely self-financed.