



**NIPPON**  
NIPPON FLOUR MILLS

## To Our Shareholders

The 187<sup>th</sup> Period

## Business Report

April 1, 2010 to March 31, 2011

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Securities Code:  
2001



澤田 浩  
**Hiroshi Sawada**

Chairman and President,  
Chief Executive Officer, and  
Chief Operating Officer



## Interview with Chairman

# After the first year of the “10/11 SG130 Medium-Term Business Plan”

## Aggressively build a foundation for sustainable growth

On May 12, 2011, Nippon Flour Mills Co., Ltd. (NIPPN) announced its financial results for the year ended March 2011 (FY2011). FY2011 was a tough year for the Japanese economy as the Great East Japan Earthquake hit the country struggling in a difficult business environment. Under such circumstances, we went through the first year of the “10/11 SG130 Medium-Term Business Plan” (hereafter called the “SG130”), and would like to share with you a summary of the year and outlook for the future.

**Q** Looking back, what do you think about the year, which was full of ups and downs?

**A** First of all, we would like to take this opportunity to express our appreciation for your solid support and patronage. And thank you for your concern for us after the Great East Japan Earthquake. Our thoughts are with all who have been affected by this disaster. Although there was a favorable sign in consumer spending in some areas during FY2011, an outlook of the Japanese economy and environment surrounding the food market became increasingly uncertain as the major earthquake disaster struck on March 11. We did what we should do with nothing

omitted but some extraordinary factors beyond our control are contained in the financial results for FY2011.

**Q** Is there any impact of the Great East Japan Earthquake?

**A** The NIPPN Group formed a task force as soon as the earthquake struck and took various measures to arrange relief supplies and establish a stable supply system. As a result, we fully restored our mills and plants in an extremely short time although part of the equipment was slightly affected in Yokohama, Chiba (flour milling) and Ryugasaki (premix and frozen food). A lot of customers highly appreciated our quick response. Due to the disaster, however, we had extraordinary loss of ¥863 million.

**Q** How do you see the performance in the first year of the “SG130”?

**A** The “SG130” is a two-year plan targeted at consolidated net sales of ¥300,000 million, operating income of ¥13,000 million and earning before interest, taxes, depreciation and amortization (EBITDA) of ¥20,000 million. Sales during the first year were good both in and outside Japan as we marked record

highs in the production volumes of flour milling, mixes and pastas as well as in the sales of wheat flour for business use and home use. However, both sales and income dropped with net sales of ¥252,139 million, operating income of ¥10,567 million, ordinary income of ¥10,827 million, and net income of ¥6,026 million although we achieved over ¥10,000 million in consolidated operating income for the third consecutive year. The decrease in net sales was primarily attributable to the reduced wheat prices. The fall in income was because we failed to make up for the price decline in commodities, such as wheat bran in flour milling, with cost cutting and sales increase. In these circumstances, our corporate structure was changing to allow us to reduce the commodity market fluctuation risk in flour milling as the Food segment surpassed the Flour Milling segment in both net sales and operating income.

**Q** Is there any distinguished aspect in the efforts during the first year of the “SG130”?

**A** We enhanced our readiness for the changing business environment by introducing the company system. Both the Flour Milling and Food segments were strong in sales, which drives our sustainable growth. The large capital investment projects of approximately ¥20 billion in total are going on as scheduled or even ahead of schedule after their construction all began. The

construction work to increase the capacity of the premix plant in Thailand was completed and is in full operation since October, contributing to our business performance while a rice flour milling plant of Mizuho Foods Co., Ltd. was completed in March 2011. OK Food Industry Co., Ltd. as the top manufacturer of seasoned fried tofu for business use became subject to consolidation for and after the third quarter and is expected to create a synergy between the company and NIPPON in the soy business as a potentially growing new area.

**Q** What is your focus in the efforts during the last year of the “SG130”?

**A** What we should do to build a foundation for sustainable growth is obvious. We will produce a virtuous cycle where productivity will rise as a result of increased sales and a resulting higher operating ratio in the production facilities, and will pursue a shift to a low-cost structure to ensure profitability. After that, total optimization will be driven by verifying our business structures including group companies. In order to boost sales, we will take aggressive approaches such as finely tuned solution selling and new product development to spur demand. In addition, another focus is to ensure the steady progress of the construction work in the large capital investment projects.

## Consolidated Financial Highlight

(April 1, 2010 to March 31, 2011)

<b>Net Sales</b>	<b>¥252.1 billion</b> (Down 3.6% y-o-y)	<b>Net Income per Share</b>	<b>¥36.06</b>
<b>Operating Income</b>	<b>¥10.5 billion</b> (Down 15.8% y-o-y)	<b>Total Assets</b>	<b>¥194.3 billion</b>
<b>Ordinary Income</b>	<b>¥10.8 billion</b> (Down 15.4% y-o-y)	<b>Net Assets</b>	<b>¥100.0 billion</b>
<b>Net Income</b>	<b>¥6.0 billion</b> (Down 23.6% y-o-y)	<b>Net Assets per Share</b>	<b>¥585.05</b>

## Forecasts for FY2012

(April 1, 2011 to March 31, 2012)

<b>Net Sales</b>	<b>¥271.0 billion</b> (Up 7.5% y-o-y)
<b>Operating Income</b>	<b>¥11.0 billion</b> (Up 4.1% y-o-y)
<b>Ordinary Income</b>	<b>¥11.0 billion</b> (Up 1.6% y-o-y)
<b>Net Income</b>	<b>¥6.3 billion</b> (Up 4.6% y-o-y)

**Q** As the government sales prices of imported wheat significantly increased in April 2011, how do you see the impact of such increase on NIPPN?

**A** Wheat prices in the world soared in response to Russia's grain export ban in August 2010 and then remain at a high level mainly due to the unseasonable weather in Canada, drought in the western part and flood in the eastern part of Australia. They say that the price increase is partly attributable to the influx of speculative money triggered by the insufficiency of corn although the stock of wheat is at an adequate level. The Ministry of Agriculture, Forestry and Fisheries raised the government sales prices of five types of imported wheat by 18% on average in April 2011. This was calculated based on the government's average purchase prices during the most recent six months (September 2010 to February 2011) and our sales prices of the business-use wheat flour were revised for the shipments on and after June 20. We will make efforts to gain consumer understanding of such attitudes on our part. I believe it is imperative to review the scenario for sustainable growth from every possible angle for the future after the "SG130," such as increasing the capacity of the raw material silos for wheat, additionally renovating flour mills, and expanding our overseas business, in view of the wheat system which may be further deregulated.

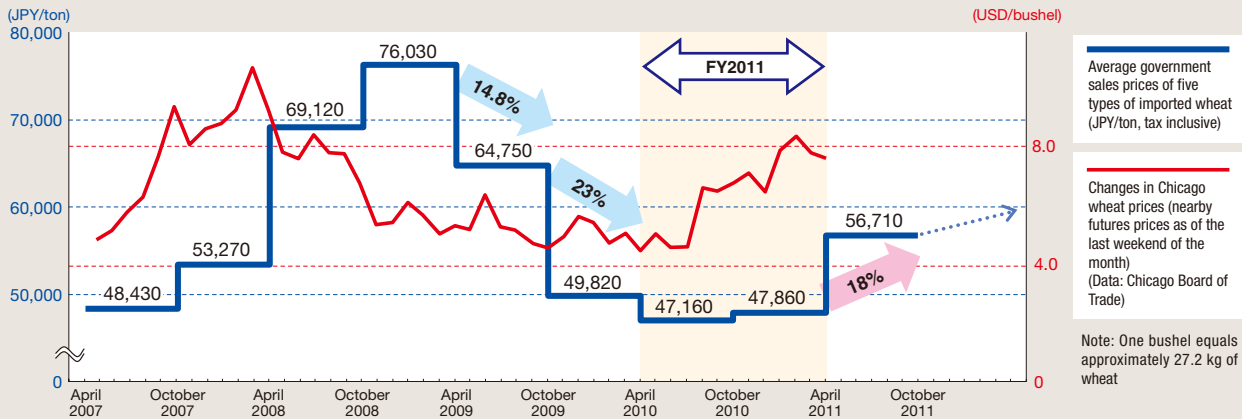
**Q** Please share with us your outlook for the performance in the last year of the "SG130."

**A** We will remain in an unpredictable business environment as there are high risks of economic downturn including an impact of the Great East Japan Earthquake, fluctuations in the financial and capital markets and oil price hikes. In addition, it is uncertain how costs will be affected by power supply or locally changing supply and demand. The trend of sustainable growth continues although it was slightly stagnant in FY2011. Both sales and income are expected to grow in FY2012 with net sales of ¥271.0 billion, operating income of ¥11.0 billion, ordinary income of ¥11.0 billion and net income of ¥6.3 billion. Annual dividends are planned to be the same (¥10) as FY2011. In the course toward sustainable growth in and after the following fiscal year, we aim to achieve, as soon as possible, the initial targets set in the "SG130" such as net sales of ¥300 billion and operating income of ¥13.0 billion.

**Q** Finally, give a message to shareholders.





**A** FY2012 will be an important year for the NIPPN Group to gain a foothold for sustainable growth. We will improve our corporate value so as to ensure the satisfaction of our shareholders as celebrating our 115th anniversary in September. Your continuing support and loyal patronage will be greatly appreciated.

### Government Sales Prices of Imported Wheat and Changes in Chicago Wheat Prices






## Under Construction

(As of June 2011)

	Flour Milling	Frozen Food	Buckwheat Flour, Buckwheat Mix	Pet Food
Workplace	Kobe-Konan Mill, Nippon Flour Mills Co., Ltd. 	Ryugasaki Plant, NIPPON Frozen Foods Co., Ltd. 	Kaminokawa Plant, Matsuya Flour Mills Co., Ltd. 	Chiba Plant, NPF Japan Co., Ltd. 
Amount	<b>¥12.3 billion</b>	<b>¥3.0 billion</b>	<b>¥1.3 billion</b>	<b>¥1.0 billion</b>
Investment Details	<ul style="list-style-type: none"> <li>Expansion of the flour mill</li> <li>Construction of a new silo for raw material</li> </ul>	<ul style="list-style-type: none"> <li>Expansion</li> <li>Relocation from Takasaki Plant for consolidation</li> </ul>	<ul style="list-style-type: none"> <li>Relocation from Utsunomiya Plant for consolidation</li> </ul>	<ul style="list-style-type: none"> <li>Expansion and improvements</li> </ul>
Objectives	Increased production capacity	Streamlined equipment Increased production capacity	Higher efficiency Lower cost	Increased production capacity Enhanced productivity
Construction Progress	Start of work: June 2010 Scheduled completion of work: September 2012	Start of work: September 2010 Scheduled completion of work: March 2012	Start of work: June 2010 Scheduled completion of work: October 2011	Start of work: December 2009 Scheduled completion of work: March 2012

## Completed – Now Part of Our Capacity

	Rice Flour	Seasoned Fried Tofu (Soybean Processed Food)	Premix (Overseas)
Workplace	Kaminokawa Plant, Mizuho Foods Co., Ltd.  <p>Completion of construction: March 2011</p>	Amagi Plant 2, OK Food Industry Co., Ltd.  <p>Completion of construction: March 2011</p>	NIPPON (Thailand) Co., Ltd.  <p>Completion of construction: October 2010</p>
Amount	<b>Approx. ¥1.4 billion</b>	<b>Approx. ¥1.0 billion</b>	<b>Approx. ¥0.2 billion</b>
Details	<ul style="list-style-type: none"> <li>Doubled production capacity</li> <li>Full-scale rice flour business operation</li> </ul>	<ul style="list-style-type: none"> <li>Production capacity increased by 20%</li> <li>Improved production efficiency</li> </ul>	<ul style="list-style-type: none"> <li>Production capacity increased by 70%</li> <li>Improved production efficiency</li> </ul>

# Overview of Business

(April 1, 2010 to March 31, 2011)

## Flour Milling Segment

Year-end stock is expected to decrease for the first time in three years as global wheat production is projected to be 647million tons this year, a decrease of about 37 million tons from the previous year. In response to such situation, the future trend of international wheat prices is still unpredictable although they were once settled.

Meanwhile, domestic wheat production fell by 103,000 tons from the previous year to 571,000 tons due to unseasonable weather in major production areas, such as Hokkaido and Kyushu.

With sluggish growth of domestic wheat demand, the Group developed products from the viewpoint of corporate customers and consumers, which included wheat flour made from French wheat introduced as a commemorative product to mark the Company's 115th anniversary. The Group also engaged in vigorous marketing activities, such as participating in various exhibitions and holding

workshops and seminars, including those on management, around Japan. As a result, the sales volume of wheat flour increased compared with the previous year. In terms of value, sales dropped from the previous year because of the wheat price reductions since FY2010 (23% in October 2009 and 5% in April 2010).

Sales of wheat bran, a by-product, were lower than the previous year due to weak market conditions.

As a result, net sales from the Flour Milling segment decreased by 9.4% year on year to ¥91,833 million.



## Food Segment

We launched new products that meet consumer needs, including the Oh'my Pasta series, which was completely redesigned for the first time in 18 years, and small-portion premixes for business use (for bakeries, restaurants, and prepared food businesses), which were launched as 115th anniversary products, and breadcrumbs containing rice flour. At the same time, we vigorously engaged in marketing activities, such as participating in various exhibitions and holding Italian cookery workshops.

Sales of home-use products increased year on year. Sales of pasta-related products and premixes for business use increased in volume, but the sales figures of these products decreased year on year.

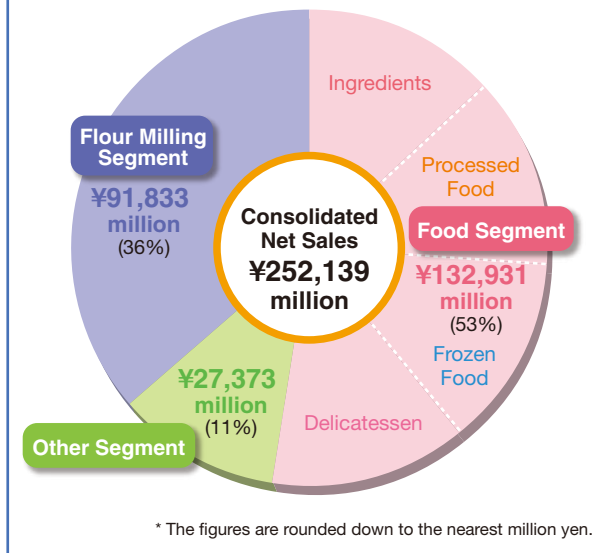
Sales of frozen ingredients and foods for home use were strong, because the Oh'my Premium and Oh'my Premium Gold, series of frozen spaghetti dishes in one-person portions have been highly acclaimed among consumers who value their simplicity, convenience and quality. For the frozen ingredients and foods for

business use, sales soared in volume, but sales figures plunged year on year due to a significant decline in unit price.

As a result, net sales from the Food segment increased by 1.1% year on year to ¥132,931 million.



### Net Sales by Segment (FY2011)



### Other Segment

Sales were lower than the previous year due to the sluggish growth in the health food and pet food businesses.

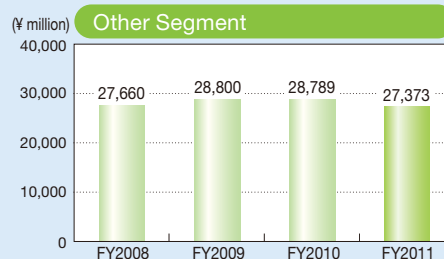
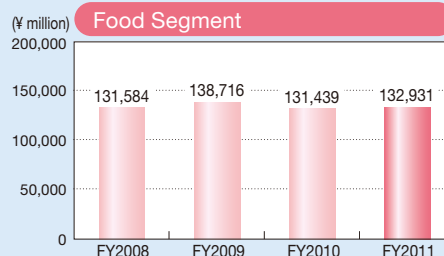
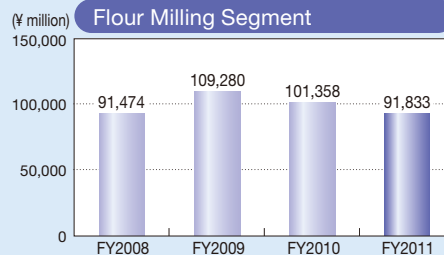
As a result, net sales from the Other segment decreased by 4.9% year on year to ¥27,373 million.



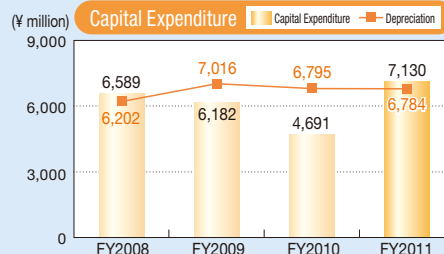
### Capital Expenditure

Capital expenditure for the current fiscal year was ¥7,130 million (an on accrual basis).

### Changes in Consolidated Net Sales



### Capital Expenditure and Depreciation



Nippon Flour Mills will mark its 115th anniversary on September 26, 2011<sup>(\*)</sup>. The following is our history of growth and diversification, ranging from the foundation as Japan's first western-style mechanical milling company in the Meiji era to the current status as a diversified food company.

## Age of Foundation and Development of Management Base: 1896 – 1945

**Nippon Flour Mills Co., Ltd.  
founded in 1896.**



Symbol in the start-up period

The Company implemented many large-scale mergers and expanded its business during the period from the very start of its foundation to the early Showa period, not only in Japan but also to foreign countries including mainland China.

**Meiji** (1868 – 1912)

**Taisho** (1912 – 1926)

**Showa** (1926 – 1989)

## Flour Milling segment

●1896:

Founded with the latest western-style mechanical milling in a place, which is now located in *Ohgi-bashi 1-chome, Koto-ku, Tokyo*.



The state-of-the-art roll mill (see the photo at the left) was introduced. Product quality and production efficiency significantly improved. (The photo at the right shows Ohgi-bashi Mill.)



NIPPON's folding-fan (*ohgi*) symbol \\\ comes from the name of the place of foundation, *Ohgi-bashi*.



●1914: Start of buckwheat milling

●1924: Completion of construction of Yokohama Mill



Pioneering large-scale waterfront mill with mega silos

Eating bread became part of the lives of ordinary people in the middle of the Taisho era.



At that time, it was very innovative for a manufacturer to adopt a trademark concept to clearly indicate the quality and grade!

●1897: Innovative product sales method



The distributor system under the manufacturer's initiative was adopted to clearly indicate the manufacturer name, quality and grade.

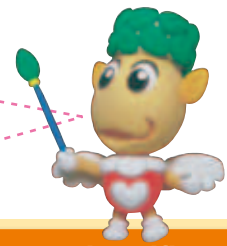
## Creation of the Oh'my Brand

The name of "Oh'my," Nippon Flour Mills' flagship product brand for home use, derives from a rice substitute launched in 1955, which was made by processing wheat flour into a rice-grain shape and named "Ohmai (literally meaning 'king rice')."



<sup>(\*)</sup> The Company held its inaugural general meeting in Nihonbashi, Tokyo in September 1896 and its application for commercial registration was accepted in December of the same year. Based on this fact, our foundation day was set as September 26.

Nippon Flour Mills set a new communication name and corporate logo on its 100th anniversary, September 26, 1996. It was **NIPPN**.  
 The red oval above "I" of **NIPPN** rising to the upper right represents "joy of people, mind and body" and "leap and challenge in the next 100 years" while the stable black bold fonts symbolize the "tradition, confidence and stability" developed during the past 100 years.



**Age of Diversification of Business: 1945 –**

With loss of its overseas bases, the Company began the reconstruction of domestic sites during the post-war period. The current status was established as a result of operational expansion, technical innovation, business diversification and corporate restructuring.



1977: The system of the Nippon Flour Mills Group was established. The group's corporate identity was set.

**Grown to a diversified food business through sustainable growth**

1996: NIPPN, as a communication name, and new logo were designated.

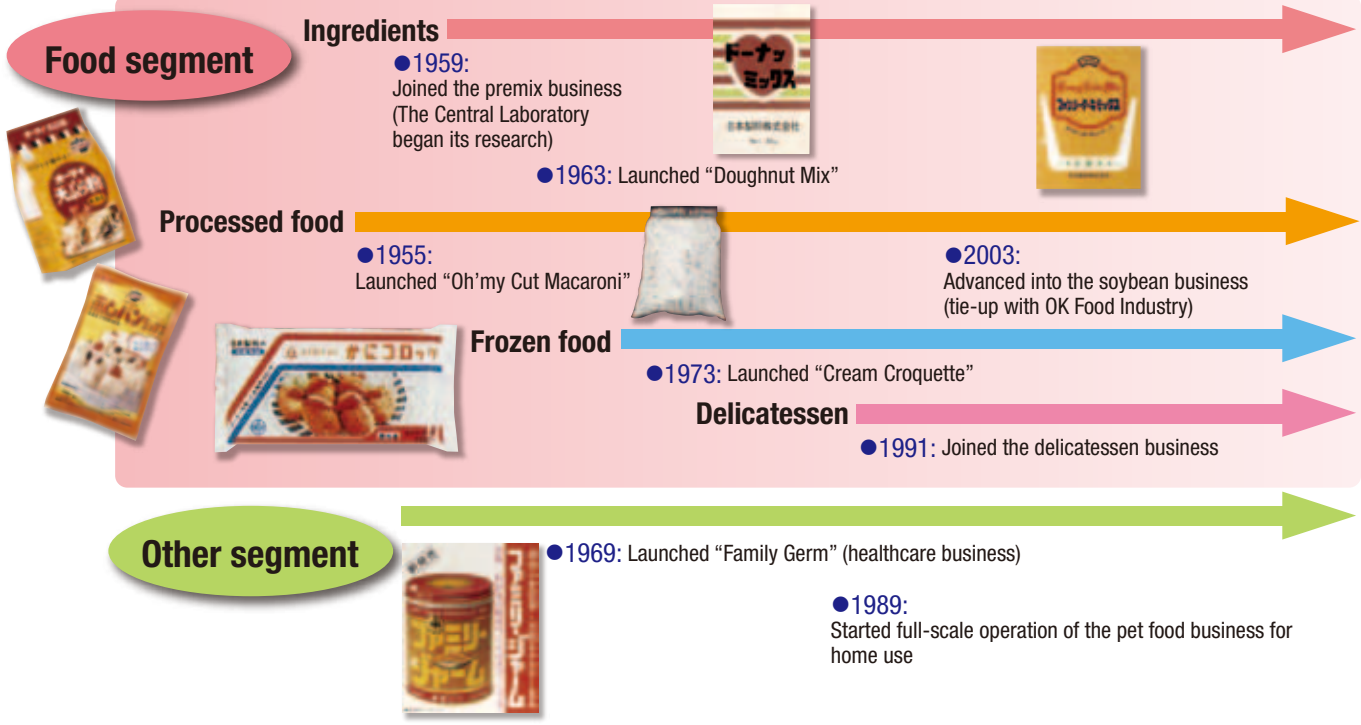


**Heisei (1989 –)**

I see NIPPN's post-war reconstruction began under difficult circumstances involving America's occupation policies and food shortage.



- 1969: Started corn flour milling
- 1975: Started rice flour milling



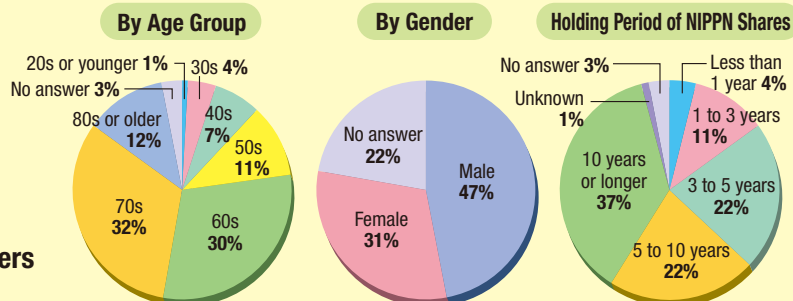
## Shareholder Questionnaire Results

Your voices will be reflected to carry out easy-to-understand IR activities.



Thank you for your cooperation with the questionnaire survey we carried out in the “Interim Report for the 187th Period.” We will further improve our IR activities based on your comments.

Total respondents **1,825 shareholders**  
(Collection rate: 11.8%)



Q

### Why do you hold NIPPN shares?

(Multiple answers allowed)

1. Shareholder special benefit plan	64.3%
2. Stability	42.5%
3. Dividends	36.0%
4. Business contents	25.9%
5. Potential	17.5%
6. Products	15.3%
7. Financial conditions	7.8%
8. Management policies	7.1%
9. Others	5.6%
10. Securities company's recommendation	1.9%

#### Other comments

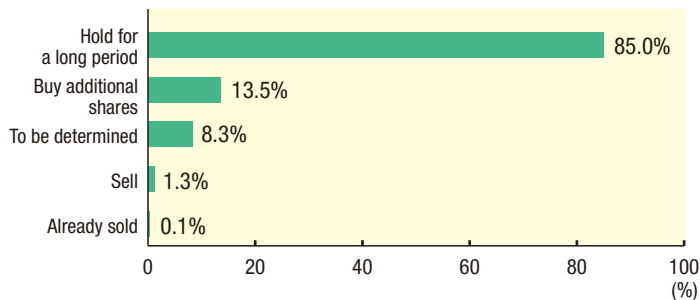
- Because it is a food company.
- Its share price is lower than my purchase price.
- As a result of inheritance.
- Because it has never failed to pay dividends.
- Because it gives me a calendar.

A flattering statement was “I’m a fan of NIPPN.”



Q

### What are you going to do about NIPPN shares? (Multiple answers allowed)



Q

### Why are you going to do so?

(Multiple answers allowed)

1. Shareholder special benefit plan	57.9%
2. Dividends	47.4%
3. Business performance	25.8%
4. Share price	23.8%
5. Business development	15.0%
6. Others	3.6%

## Q How do you want to receive information from us?

(Multiple answers allowed)

1. To Our Shareholders	63.7%
2. Website	18.1%
3. Advertisement	12.0%
4. Company explanation meeting	8.2%
5. General meeting of shareholders	6.4%
6. Displays at fairs targeted at investors	5.4%
7. E-mail	4.0%
8. Others	2.3%

### Other comments

- What you are doing is just fine.
- I don't need any information from you.
- Give consideration to the shareholders who do not use the Internet.
- Hold events (e.g. plant tour)

## Q Please fill in your comment, request or the like.

I wish you will keep your shareholder special benefit plan.

We received many comments and requests about the plan. Since it is a valuable opportunity for us to directly introduce our products to our shareholders, we believe the shareholder special benefit plan should be retained.

I appreciate your effort on the "Quarterly Report."

Thank you for your appreciation. In FY2011, we started sending you a "Quarterly Report" after the announcement of financial results for the first and third quarters. Our aim is to provide information to allow you to further understand us.

I am looking forward to the calendar gift.

The calendar gift is announced in the "Interim Report" each year. It is planned in the next "Interim Report" as well. We hope you will like it.

We received 590 comments to this question. Since roughly a quarter of them were about the shareholder special benefit plan, we realized how much our shareholders expect from the plan.

## Q Which attracted your interest among the contents of the "Interim Report for the 187th Period"?

(Multiple answers allowed)

1. Product Profiles	48.0%
2. Company Profile and Share Information	21.7%
3. Interview with Chairman	19.8%
4. Overview of Business	19.3%
5. Consolidated Financial Results	19.3%
6. Topics (Gratin Mix)	17.4%
7. Feature 1 (Oh'my)	16.8%
8. Feature 2 (Oyatsu de Sapri)	12.5%

The big winner was Product Profiles!  
A lot of shareholders chose it as a purchase trigger.



\* This is a package of our products that we sent to you in June 2011.

We will conduct a questionnaire survey on a regular basis. Your continued cooperation will be greatly appreciated.

# Product Profiles

## Pasta

### Oh'my Premium

- Gold Pasta: Fettecchine
- Gold Pasta: Linguine



Gold Pastas are well received for its sticky texture, which is as if they were fresh pastas. Now their palatability is further improved. You can enjoy the dainty taste and higher quality.



## Pasta Sauce

### Oh'my Premium

- Bolognese
- Carbonara



High-quality pasta sauces with full of ingredients are newly launched for the "Oh'my Premium" series.



### Oh'my Spaghetti recipe

#### Pasta with Steamed Chicken, Grated Daikon Radish and Ponzu



#### Ingredients (for two servings)

Chicken breasts	180 g
Salt / pepper	Pinch each
Sake	1 tablespoon
Red bell pepper	1 whole
Ponzu (citrus-based sauce)	1/4 cup
Grated daikon radish	120 g
Extra virgin olive oil	2 tablespoons
Oh'my spaghetti	200 g
Japanese leek	1/5 stalk
Cilantro	As required

You can quickly prepare a tasty pasta sauce by just adding grated daikon radish and olive oil to a ponzu sauce on the market.

#### Directions

Cooking time: About 15 minutes  
 Calories: 626 kcal (per serving)

- 1 Sprinkle salt and pepper over the chicken breasts, place in a microwave-safe bowl, pour sake, cover the bowl with a plastic wrap, heat in a microwave at 600 W for about four minutes, and let it cool. Split the chicken breasts into bite-size pieces when it is cool enough.
- 2 Cut the red bell pepper into strips. Slice the Japanese leek into julienne, soak in water for a moment, and mix with cilantro.
- 3 Lightly drain off the water from the grated daikon radish, and mix with ponzu and extra virgin olive oil.
- 4 Add 1% salt to plenty of boiling water and cook the spaghetti in it. Put the cut red bell pepper in a colander, soak in the boiling water 30 seconds before the spaghetti is boiled, boil together, and then remove. Immerse the spaghetti in ice water and drain well.
- 5 Serve the spaghetti, red bell pepper and split chicken breasts on a plate, pour the grated daikon and ponzu, and garnish the sliced Japanese leek and cilantro.



## Frozen Food

### Oh'my Premium

- Deluxe Naporitan Spaghetti with Shrimps and Parmesan Cheese
- Carbonara Spaghetti with Richly Flavored Cheese



New flavors are released for the tasty Western-style series.



- Oh'my Big Spaghetti with Butter- and Soy-flavored Bacon and Spinach

A Japanese flavor newly joined in the 360-gram filling "Oh'my Big" series.



- Oh'my Double Spaghetti Naporitan & Yakisoba Sauce

Assorted spaghetti allowing you to casually enjoy two popular flavors.



## Dried Noodles

### NIPPN

- Hokkaido-grown Wheat "Kitahonami" Udon
- Gunma-grown Wheat "Tsurupikari" Udon
- Kagawa-grown Wheat "Sanuki no Yume" Udon

Domestically grown wheat varieties suitable for dried noodles are selected.

The places of noodle making and flour milling are part of the selection criteria for these products.



## Health Food

### Flaxseed Oil Dressing

- Japanese-style Onion
- Sesame Seeds

This delicious dressing with "flaxseed oil" is gentle to your body and contains, per tablespoon, 1.5 g of omega-3 fatty acids (alpha-linolenic acid) essential for health maintenance.

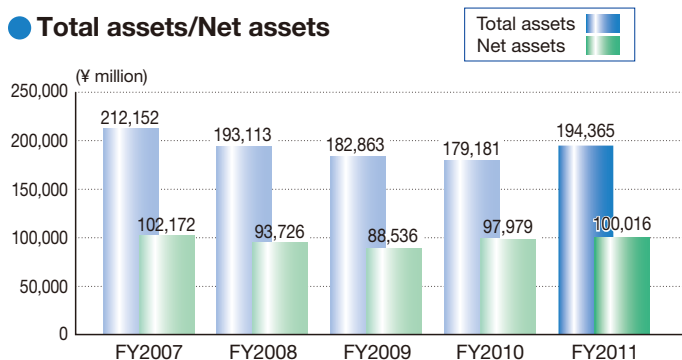


Visit NIPPN recipe site:

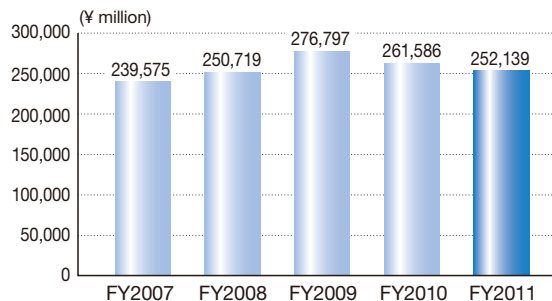
<http://www.nippon.co.jp/hiroba> (In Japanese)

## Consolidated Financial Results

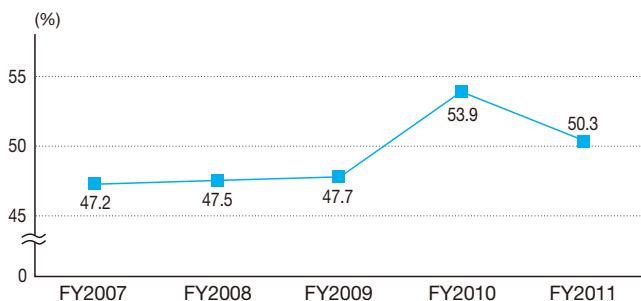
### ● Total assets/Net assets



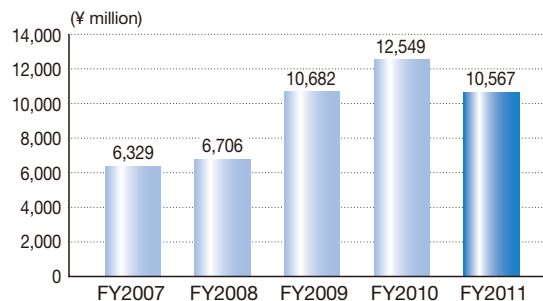
### ● Net sales



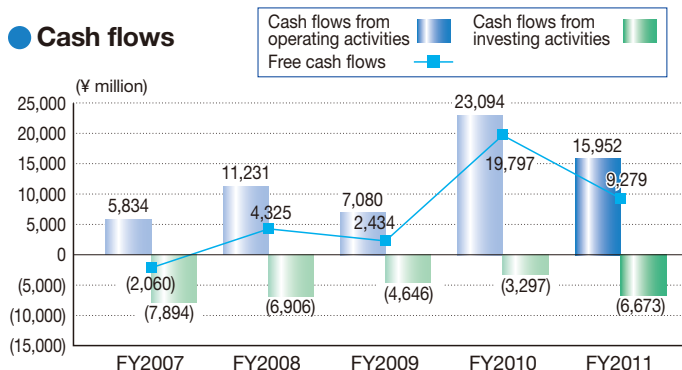
### ● Equity ratio



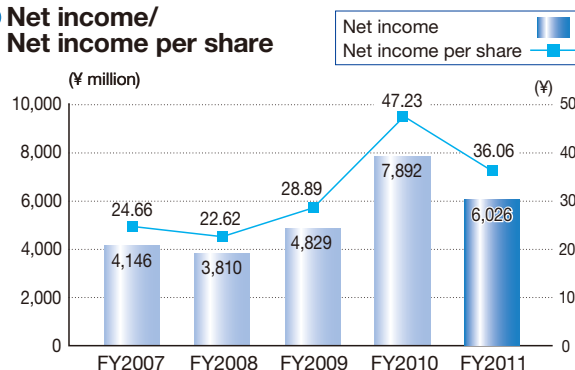
### ● Operating income



### ● Cash flows



### ● Net income/ Net income per share



## Company Overview

(As of March 31, 2011)

**Company Name:** Nippon Flour Mills Co., Ltd.  
**Head Office:** 27-5 Sendagaya 5-chome, Shibuya-ku, Tokyo  
**Established:** December 1896  
**Capital:** ¥12.24 billion  
**Number of Employees:** 947 [non-consolidated basis]  
**Major Businesses:** Manufacturing and marketing of wheat flour and secondary processed foods, including premixes, pastas and frozen foods, deli (packaged lunch), pet food products, health care products, biotechnology business, etc.  
**Locations:** Head office (Tokyo), two administration divisions, eight branches, eight plants, central laboratory and processing laboratory

## Major Group Companies

Matsuya Flour Mills Co., Ltd.	NIPPN SHOJI Co., Ltd.
OHMY Co., Ltd.	OK Food Industry Co., Ltd.
NIPPN Frozen Foods Co., Ltd.	Nippon Rich Co., Ltd.
NF Frozen Co., Ltd.	Fast Foods Co., Ltd.
NPF Japan Co., Ltd.	NIPPN Donut Co., Ltd.

## Shares

(As of March 31, 2011)

- **Number of Authorized Shares:** 696,590,000 shares
- **Number of Outstanding Shares:** 174,148,018 shares
- **Number of Shareholders:** 17,843
- **Major Shareholders:**

Name	Number of shares held (thousand shares)	Shareholding ratio (%)
The Master Trust Bank of Japan, Ltd. (trust account)	8,127	4.8
Nippon Flour Mills Clients Shareholding Association	7,773	4.6
Japan Trustee Services Bank, Ltd. (trust account)	7,727	4.6
Mitsui Sumitomo Insurance Co., Ltd.	7,509	4.4
Mitsui Life insurance Co., Ltd.	6,994	4.1
MITSUI & CO., LTD.	6,093	3.6
DUSKIN CO., LTD.	5,020	3.0
Itochu Corporation	5,000	2.9
Sumitomo Mitsui Banking Corporation	4,493	2.6
The Norinchukin Bank	4,121	2.4

Note: The calculation of the shareholding ratios excludes 6,963,000 treasury shares.

## Directors and Executive Officers

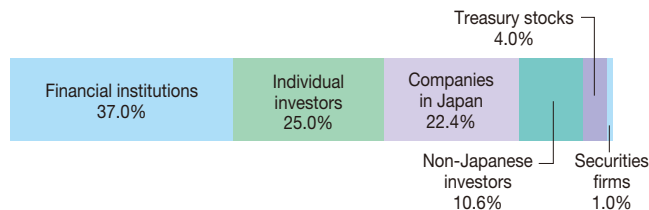
(As of June 29, 2011)

Representative Director, Chairman and President, CEO & COO:	Hiroshi Sawada	Corporate Auditor (Outside Corporate Auditor):	Sadao Kumakura
Director, Senior Managing Executive Officer:	Yoshio Ohsawa	Corporate Auditor (Outside Corporate Auditor):	Akio Okuyama
Director, Senior Managing Executive Officer:	Noboru Fukutomi	Managing Executive Officer:	Noboru Kizawa
Director, Senior Managing Executive Officer:	Haruki Kotera	Managing Executive Officer:	Masaki Miyamoto
Director, Senior Managing Executive Officer:	Tsunetaka Honda	Executive Officer:	Motoharu Okada
Director, Managing Executive Officer:	Tatsuo Amano	Executive Officer:	Takafumi Kiyoto
Director, Managing Executive Officer:	Masayuki Kondo	Executive Officer:	Seiji Kanai
Director, Managing Executive Officer:	Mitsuo Somezawa	Executive Officer:	Kozo Wada
Director, Managing Executive Officer:	Masaaki Tamura	Executive Officer:	Masami Sawada
Director, Managing Executive Officer:	Hirokazu Shimizu	Executive Officer:	Naoya Yoshimura
Director (Outside Director):	Morimasa Akashi	Executive Officer:	Souji Uchida
Executive Corporate Auditor (full time):	Katsutarō Nishihara	Executive Officer:	Kiyoshi Ochiai
Executive Corporate Auditor (full time):	Satoshi Takanashi	Executive Officer:	Keisuke Nishiwaki
		Executive Officer:	Yuji Takahama
		Executive Officer:	Hiroyuki Matsui

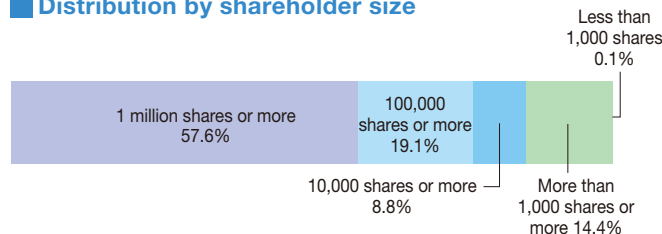
## Distribution of Shares

(As of March 31, 2011)

### Distribution by shareholder type



### Distribution by shareholder size



## Shareholder Information

Fiscal Year:	April 1 to March 31	Administration Office:	Transfer Agent, The Chuo Mitsui Trust and Banking Co., Ltd.
General Meeting of Shareholders:	June	(Mailing address and telephone contact)	8-4 Izumi 2-chome, Suginami-ku, Tokyo 168-0063
Record Date:	March 31 for the General Meeting of Shareholders and Year-end Dividend	Phone:	0120-78-2031 (toll-free)
	September 30 for the Interim Dividend	Website:	<a href="http://www.chuomitsui.co.jp/person/p_06.html">http://www.chuomitsui.co.jp/person/p_06.html</a>
Administrator of Shareholder Registry: (Manager of Special Account)	The Chuo Mitsui Trust and Banking Co., Ltd. 33-1 Shiba 3-chome, Minato-ku, Tokyo	Handling Offices:	All domestic branch offices of The Chuo Mitsui Trust and Banking Co., Ltd. Head office and all domestic branch offices of Japan Securities Agents, Ltd.

## Procedural matters relating to shares

The shares recorded in accounts at securities companies and recorded in special accounts are handled by different agents. Please contact the following for any inquiry regarding various procedures relating to the shares:

Shares recorded in the general account (account at a securities company)	
Procedures / Inquiries	Contact
<ul style="list-style-type: none"> <li>Request for purchase of odd lot shares or sale of additional shares</li> <li>Change of address, name and/or the like</li> <li>Specification of dividend receipt method</li> </ul>	Securities company at which you have an account
<ul style="list-style-type: none"> <li>Inquiry regarding delivery and return of mail</li> <li>Inquiry regarding dividends after payment period</li> <li>General inquiry regarding the administration of shares</li> </ul>	Transfer Agents, The Chuo Mitsui Trust and Banking Co., Ltd. Phone: 0120-78-2031 (toll free)

Shares recorded in the special account (account at a trust bank)	
Procedures / Inquiries	Contact
<ul style="list-style-type: none"> <li>Request for purchase of odd lot shares or sale of additional shares</li> <li>Change of address, name and/or the like</li> <li>Specification of dividend receipt method</li> <li>Application for transfer from special account to general account</li> <li>Inquiry regarding delivery and return of mail</li> <li>Inquiry regarding dividends after payment period</li> <li>General inquiry regarding the administration of shares</li> </ul>	Transfer Agents, The Chuo Mitsui Trust and Banking Co., Ltd. Phone: 0120-78-2031 (toll free)

**NIPPON** 日本製粉株式会社  
NIPPON FLOUR MILLS CO., LTD.

27-5 Sendagaya 5-chome, Shibuya-ku, Tokyo 151-8537

Website: <http://www.nippon.co.jp>

● Cover page and Page 1:  
“Pan-no-hana” from Junco Flora School Co., Ltd.  
\*Pan-no-hana: sculptural flowers made from “Pando”.

