

**Nippon Flour Mills Group Affiliate Pasta Montana Expands Its Business by Acquiring the Business Rights and Production Facilities of U.S. West Coast Pasta Manufacturer Costa Macaroni**

Tokyo, June 9, 2005 — Pasta Montana L.L.C., a U.S. subsidiary of Nippon Flour Mills Co., Ltd. that has steadily developed its business since its acquisition in May 2000 has acquired the business rights and the pasta production line of Costa Macaroni Mfg Co., a company which does business primarily in Los Angeles, California. Pasta Montana has decided to relocate the acquired production line to its own production plant with the aim of increasing sales and augmenting production capacity.

Founded in 1923, Costa Macaroni is a pasta manufacturer with a history of more than 80 years and annual sales of \$6.3 million and sales volume of 5,500 tons. In its local market Costa Macaroni is established as a premium brand that is primarily sold wholesale to the restaurant and food service industry and enjoys the long-standing patronage of first-class hotels and upscale restaurants. It has expanded its customer base beyond Los Angeles to other cities, including Las Vegas, Nevada, and San Francisco, California. Pasta Montana anticipates a sharp increase in revenue owing to the addition of about 200 new customers from the acquisition and expects to further strengthen the foundation of its business.

Nippon Flour Mills is actively expanding its business on the West Coast of the United States. For instance, Nippon Flour Mills Group affiliate Quality Naturally! Foods, Inc., supplier of premix and frozen dough to Yum Yum Donut Shops, Inc., which at the end of last year purchased The Winchell's Donut House Chain, the largest donut chain on the West Coast, is working to expand its sales.

**Reference information**

**【 Overview of Pasta Montana 】**

Company name : Pasta Montana L.L.C.

Location : Great Falls, Montana

President: Anthony Flagg

Established : August 1997

Business description : Manufacturing and sales of dried pasta

Annual sales : 15 million dollars, 21,000 tons (2004)

Number of employees : 61



### 【 Overview of Costa Macaroni 】

Company name : Costa Macaroni Mfg Co.

Location : Valley Boulevard, Los Angeles, California

Owner : Connie Zoccoli Foster

Established : 1923

Business description : Manufacturing and sales of dried pasta

Annual sales : 6.3 million dollars, 5,500 tons (2004)



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