

May 25, 2016

**Notice of Change of Share Unit Number, Consolidation of Shares, and Change of
Total Number of Authorized Shares**

Nippon Flour Mills Co., Ltd. (the “Company”) announces that its Board of Directors resolved at its meeting held today to submit proposals for the change of the share unit number, the consolidation of shares, and the change of the total number of authorized shares to the 192nd ordinary general meeting of shareholders to be held on June 29, 2016 (the “Ordinary Shareholders Meeting”) for deliberations. Details are as follows:

1. Change of the share unit number

(1) Reason for the change

As the stock exchanges nationwide, including the Tokyo Stock Exchange, have set October 1, 2018 as the deadline for unifying the minimum trading unit of shares of all listed companies in Japan to 100 shares, the Company has decided to change the share unit number of its stock to 100 shares (the “Change of the Share Unit Number”).

(2) Content of the change

The Company will change the share unit number of its common stock from 1,000 shares to 100 shares on October 1, 2016.

(3) Conditions for the change

The Change of the Share Unit Number is subject to the approval of proposals for the partial revision of the Articles of Incorporation in relation to the Change of the Share Unit Number and the change of the total number of authorized shares and for the consolidation of shares as proposed at the Ordinary Shareholders Meeting.

2. Consolidation of shares

(1) Purpose of the consolidation

The Company has decided to implement the consolidation of shares (at a rate of one share for every two shares) (the “Consolidation of Shares”) for the purpose of adjusting the investment unit to an appropriate level when it changes the share unit number of common stock to 100 shares as stated in “1. Change of the share unit number” above.

(2) Content of the consolidation

- Type of shares to be consolidated: Common stock
- Rate of consolidation: On October 1, 2016, the Company will consolidate its shares held by

shareholders who are recorded in the final shareholder register as of September 30, 2016 at a rate of one share for every two shares.

• Number of shares to be reduced by the consolidation

Total number of shares outstanding before the consolidation (as of March 31, 2016)	165,048,018 shares
Number of shares to be reduced by the consolidation on this occasion	82,524,009 shares
Total number of shares outstanding after the consolidation	82,524,009 shares

(Note) The “number of shares to be reduced by the consolidation on this occasion” and the “total number of shares outstanding after the consolidation” are theoretical values calculated based on the total number of shares outstanding before the consolidation and the rate of the consolidation of shares.

(3) Number of shareholders to be reduced by the consolidation

(As of March 31, 2016)

	Number of shareholders (percentage)	Number of shares held (percentage)
Total number of shareholders	18,476 persons (100.00%)	165,048,018 shares (100.00%)
Less than 2 shares	476 persons (2.58%)	476 shares (0.00%)
2 shares or more	18,000 persons (97.42%)	165,047,542 shares (100.00%)

(4) Treatment of fractions less than one share

If a fraction less than one share arises as a result of the Consolidation of Shares, the Company will dispose of the fractions in blocks and deliver the proceeds of the disposition to shareholders who had the fractions in proportion to the fractions attributed to them, pursuant to the provisions of Article 234 and Article 235 of the Companies Act.

(5) Total number of authorized shares on the effective date

Associated with the decrease in the total number of shares outstanding due to the Consolidation of Shares, the Company will reduce the total number of authorized shares on October 1, 2016 to ensure the proper number of authorized shares.

Total number of authorized shares before the change	696,590,000 shares
Total number of authorized shares after the change (as of October 1, 2016)	300,000,000 shares

(6) Conditions for the consolidation

The Consolidation of Shares will be subject to the approval of proposals for the Consolidation of Shares and the partial revision of the Articles of Incorporation in relation to the Change of the Share Unit Number and the change of the total number of authorized shares as proposed at the Ordinary Shareholders Meeting.

3. Schedule

- May 25, 2016: Date of resolution at the Board of Directors meeting
- June 29, 2016: Date of resolution at the ordinary general meeting of shareholders
- October 1, 2016: Effective date of the change of the share unit number, the consolidation of shares and the change of the total number of authorized shares

Although the effective date of the change of the share unit number and the consolidation of shares will be October 1, 2016 as described above, the date when the trading unit on the Tokyo Stock Exchange will be changed from 1,000 shares to 100 shares will be September 28, 2016 in relation to the book-entry procedure after the trading of shares.

4. Other

The Company has separately disclosed the “Notice of Partial Revision of the Articles of Incorporation” today.