

April 1, 2011

### **Acquisition of Shares of Chiba Grain Center Co., Ltd.**

Nippon Flour Mills Co., Ltd. (Chairman, President, CEO & COO: Hiroshi Sawada, hereinafter the “Company”) announces that it has acquired 50.0% of the shares of Chiba Grain Center Co., Ltd. (hereinafter “Chiba Grain Center”), a subsidiary wholly owned by ITOCHU Corporation (hereinafter “ITOCHU”) from ITOCHU. Chiba Grain Center resultantly becomes the equity method affiliate of the Company.

Chiba Grain Center is favorably situated in the middle of the Port of Chiba, near the major market in the Tokyo metropolitan area. It also located next to the Company’s largest, state-of-the-art Chiba factory and it is expected to play a crucial role in storing and supplying raw wheat for the factory.

The share acquisition in anticipation of the future change in the imported wheat sales system will bring benefits to the Company, allowing us to expand, to a large extent, the holding capacity of silos for raw grains directly linked to the Chiba factory. It will also enable efficient in-out warehousing and storage of raw wheat at the Chiba Grain Center, which should help boost the Company’s performance. Moving forward, we aim to strengthen competitiveness by pushing forward low-cost operations in an alliance with the Chiba Grain Center and its investing company ITOCHU.

#### **1. Overview of the Acquisition of Shares of Chiba Grain Center Co., Ltd.**

- Shares acquired from: ITOCHU Corporation
- Number of shares acquired: 200,000 shares (50% of shares outstanding)
- Shares acquired on: April 1, 2011

#### **2. Overview of Chiba Grain Center Co., Ltd.**

- Location: 229-1 Shin-Minato, Mihama-ku, Chiba-shi, Chiba
- Capacity: 43,000 tons
- Paid-in capital: 200 million yen
- Representative: President and Representative Director Kazuhisa Kusumi
- Business summary: Warehouse handling



▲Chiba Grain Center (silos on right front side) and our Chiba factory (large silos on right back side)