

April 12, 2011

**Mizuho Foods Co., Ltd. Opens a New Rice Flour Milling Plant
to Double its Production Capacity**

Nippon Flour Mills Co., Ltd. (Chairman, President, CEO & COO: Hiroshi Sawada, hereinafter the “Company”) announces that its group company manufacturing rice flour, Mizuho Foods Co., Ltd. (Head office: Tokyo, Plant: Kakogawa-shi, Hyogo Prefecture, hereinafter “Mizuho Foods”), has completed construction of a new rice flour milling plant, as part of plans to develop low-cost operations by consolidating its rice flour milling facilities in Techno Park Kaminokawa in Tochigi Prefecture under the 10/11 SG130 Medium-Term Business Plan, the Group’s two-year plan.

Rice flour using Japanese rice has been attracting attention as a means to increase Japan’s food self-sufficiency ratio, and institutions centered on the Ministry of Agriculture, Forestry and Fisheries are advancing studies to expand its use. Though rice flour has traditionally been used mostly for Japanese confectioneries, applications have been expanding to new products such as Western confectioneries as well as bread and noodles, taking advantage of its distinctive texture. In May 2010 the Company launched two rice flour products for professional use using Princess Road and *Puriido* Japanese rice.

Against this backdrop, in September 2010 the Company and Mizuho Foods issued a collaborative production project with Akita Prefecture and JA ZEN-NOH (National Federation of Agricultural Cooperative Associations) to encourage the use of rice flour. Mizuho Foods’ new plant will receive supplies of rice products with the brand names *Akita Mizuho no Mai* and *Akitakomachi* developed by Akita Prefecture, from JA ZEN-NOH Akita. The Company will contribute its proprietary expertise to the rice flour to develop appealing products that differ from bread, noodles, Western confectioneries and other flour-based products, and expand product sales, in an effort to promote the use of rice flour.

The new plant is being constructed to improve quality and production efficiency by nearly doubling production capacity to meet larger demand for rice flour in the future. The Company is alone among the major flour millers in launching full-fledged rice flour business. Through such initiative, the Company seeks to quickly secure its competitive advantage in the market.



▲ Recently completed plant

Reference

1. Overview of Kaminokawa Factory

- Location: Kaminokawa-machi, Kawachi-gun, Tochigi Prefecture
- Site area: 3,540 m²
- Building: Building and warehouse (steel and partially two-storied)
- Production capacity: Approximately 2,000 tons/year (in terms of raw rice)
- Design and surveillance: NIPPON Engineering Co., Ltd.
- Total investment: Approximately 1.4 billion yen (100% self-financed)

2. Overview of Mizuho Foods Co., Ltd.

- Head office location: 5-27-5 Sendagaya, Shibuya-ku, Tokyo
- Plant location: 830-1 Takahata, Hiraoka-cho, Kakogawa City, Hyogo Prefecture
- Paid-in capital: 18.5 million yen
- Representative: Motoharu Okada (Operating Officer, Nippon Flour Mills Co., Ltd.)
- Business summary: Manufacture and sale of rice flour