

# Notice of Disposal of Treasury Stock

Nippon Flour Mills Co., Ltd. (president: Wataru Aosaki) is pleased to announce that it adopted a resolution to dispose of treasury stock at a meeting of the Board of Directors held on February 6, 2007. Details are as follows:

## 1. Purpose of Disposal

The purpose of the disposal is to strengthen ties with DUSKIN CO., LTD. and improve capital adequacy. The proceeds from the disposal of treasury stock will be allocated to operating capital and other uses.

## 2. Details of the Stock Subject to Disposal

(1)	Type of stock	Common stock
(2)	Volume of stock	1,820,000 shares
(3)	Value of disposal	482 yen per share  (Closing price at the Tokyo Stock Exchange on February 5, 2007)
(4)	Total value of disposal	877,240,000 yen
(5)	Buyer	DUSKIN CO., LTD.

## 3. Outlook

(1)	Schedule	
	Wednesday, February 7, 2007	Announcement of the resolution of the Board of Directors to dispose of treasury stock
	Thursday, February 22, 2007	Due date for payment

- (2) Volume of treasury stock after the disposal 5,053,469 shares

(The purchase or sale of fractional shares to be generated in February is not taken into consideration.)

- (3) Reporting of transfer of stock subject to disposal

The Company plans to receive the buyer's commitment to immediately report in writing any transfer of all or part of the stock subject to disposal within two years of the date of purchase.

#### 4. Profile of Buyer

- |     |                                  |   |
|-----|----------------------------------|---|
| (1) | Name                             | DUSKIN CO., LTD.                                  |
| (2) | Principal businesses             | Rental of dust control products and food services |
| (3) | Date of incorporation            | February 1963                                     |
| (4) | Location of head office          | 1-33 Toyotsu-cho, Suita, Osaka Prefecture         |
| (5) | Name and title of representative | Hideyuki Ito, President                           |
| (6) | Capital                          | 11,352 million yen (as of March 31, 2006)         |
| (7) | Number of employees              | 1,989 (as of March 31, 2006)                      |