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Working towards sustainable growth:
Nippon Flour Mills Group sets out 08/09 SG100 New Business Plan

Nippon Flour Mills Co., Ltd. (President: Wataru Aosaki) has set out a new business plan starting in April 2008.

In addition to striving to expand business in priority areas and overseas markets in an effort to become a multi-faceted global food company in line with the Group's 05/07 Medium-Term Business Plan since 2005, the Nippon Flour Mills Group has continued to work towards the establishment of a highly profitable business structure through initiatives such as increasing productivity at its mills and plants and restructuring distribution.

The food market is currently facing increasingly fierce competition over sales and growing demand for improved levels of safety and reliability. With soaring raw material costs and intensifying competition to ensure stability compounding matters, the business environment is expected to become even more difficult in the future.

In light of such an uncertain future, the Nippon Flour Mills Group has reaffirmed its position as a common interest community (a group with the common interest of generating added value on an ongoing basis) and has set out the 08/09 SG100 New Business Plan in an effort to secure sustainable growth (SG) throughout the Group.

Given the uncertain nature of the business environment and the major changes it is currently undergoing, the duration of the 08/09 SG100 New Business Plan will be two years, from FY2008 to FY2009. During this period, the Group will channel its management resources into "people, goods and money," with top priority placed on reviewing its underlying operating base, continuing with essential improvement measures and sowing the seeds for sustainable growth. In addition to improving profitability and the Group's financial standing, the Group also intends to achieve sales of ¥300 billion and operating profit totaling ¥10 billion (operating margin: 3.3%) by the end of the plan, thereby securing a competitive advantage and enhancing corporate value.

The Group is also implementing a program of organizational reform to coincide with the start of the 08/09 SG100 New Business Plan. In an effort to breathe new life into company management and day-to-day operations and increase efficiency, the previous divisional system was discontinued on April 1 and replaced with a new departmental system overseen by Managing Directors.

Details of the 08/09 SG100 New Business Plan are as follows.

1. Outline of the 08/09 SG100 New Business Plan

- SG Sustainable Growth
- 100* Aiming to achieve Group operating profit of ¥10 billion
(*100 *oku* (hundred million) in Japanese units)
- Duration April 2008 – March 2010
- Slogan Making the most of today and tomorrow

2. Numerical targets (consolidated) for the final fiscal year of the 08/09 SG100 New Business Plan (FY2009)

- Sales ¥300 billion
- Operating profit ¥10 billion

3. Basic strategy behind the 08/09 SG100 New Business Plan

- Improve profitability
- Actively work towards multifaceted growth
- Make efficient use of management resources