Nippon Flour Mills Makes a Major Contribution to Environmental Protection

Installation of Cogeneration Facilities at the Ryugasaki Plant Completed

Tokyo, December 17, 2004 — In November, Nippon Flour Mills Co., Ltd. (president: Masataka Horikawa) completed installation and began full-scale operation of cogeneration facilities (for private power generation) at its Ryugasaki Plant, a premix production base for the Greater Tokyo area that is located in Ryugasaki City, Ibaragi prefecture.

The cogeneration facilities installed at the plant generate electricity by means of two engines powered by natural gas. The system, which increases energy efficiency by recovering exhaust heat energy emitted from the engines during power generation and engine cooling water heat and effectively utilizes them as steam and hot water for use in manufacturing processes, also provides power for the adjacent Ryugasaki Plant of NIPPN Frozen Food Co., Ltd., a subsidiary of Nippon Flour Mills Co., Ltd.

A program of investment in facilities to reduce environmental impacts has been implemented on the basis of the Company's environmental policy. As a part of this program, the project was adopted as a New Energy and Industrial Technology Development Organization (NEDO) fiscal 2003 Support Project for Industries for Increasing the Efficient Use of Energy owing to its high effectiveness in reducing environmental impacts. For instance, the facilities deliver a 48% reduction in CO_2 emissions, an important measure for combating global warming.

The adoption of the Kyoto Protocol in 1997 has necessitated further progress in energy conservation at the national level. The introduction of cogeneration facilities, which generate two or more types of energy from a single primary energy source, offers the benefits of greater economic efficiency and a stable source of energy while also contributing greatly to environmental protection.

In keeping with its responsibility as a major source of food products, the Company will continue to strive to reduce environmental impacts and produce safe products that people can use with peace of mind.

Reference Information

1. Facilities configuration: Gas engine (two 845 kW engines) power generation facilities, exhaust heat recovery boiler, and related equipment
2. Amount of investment: Approx. ¥220 million
3. Benefits: 1) Global warming countermeasure and energy conservation
   - **C** Reduction of 3,076 tons per year in CO_2 emissions (6,395 tons/year → 3,319 tons/year)
     Reduction rate: 48.1%

▲ A gas-powered engine

- **C** Reduction of 770 kiloliters per year in energy consumption (crude oil equivalent) (3,982 kiloliters/year → 3,212 kiloliters/year)
  Reduction rate: 19.3%
- **C** Use of own facilities eliminates power transmission loss

2) Manufacturer risk management

- **C** Avoidance of power outage risk due to use of own facilities

▲ Ryugasaki Plant, Nippon Flour Mills Co., Ltd.

▲ Ryugasaki Plant, NIPPN Frozen Food Co., Ltd.

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