

November 5, 2003

ITOHAM FOODS INC.

Revision of Interim Earnings Forecasts for Fiscal 2004

In light of recent trends in the Company's business performance, Itoham Foods Inc. has revised its original interim earnings forecasts for fiscal 2004 (April 1, 2003 — September 30, 2003), which were announced on May 20, 2003 together with full-year results for fiscal 2003. Details are as follows.

1. Revision of Non-consolidated Interim Earnings Forecasts for Fiscal 2004

(Millions of yen)

	Net Sales	Ordinary Income	Net Income
Previous Forecasts: A (Announced May 20, 2003)	203,000	2,100	300
Revised Forecasts: B	201,400	2,500	600
Increase: B – A	-1,600	400	300
Increase: B vs. A (%)	-0.8	19.0	100.0
Fiscal 2003 Interim Results	198,751	2,077	778

2. Revision of Consolidated Interim Earnings Forecasts for Fiscal 2004

(Millions of yen)

	Net Sales	Ordinary Income	Net Income
Previous Forecasts: A (Announced May 20, 2003)	245,000	4,000	1,400
Revised Forecasts: B	239,200	3,400	200
Increase: B – A	-5,800	-600	-1,200
Increase: B vs. A (%)	-2.4	-15.0	-85.7
Fiscal 2003 Interim Results	229,731	1,833	308

3. Reasons for Revisions

In the interim period ended September 30, 2003, sales of fresh meat rebounded from the bovine spongiform encephalopathy (BSE) scare in the previous year, and traditional mid-summer gift products posted robust sales. Although Itoham expects these factors to propel both consolidated net sales and ordinary income above levels achieved in the previous interim period, it believes results will fall short of its initial projections announced on May 20, 2003, prompting the above revision to earnings forecasts.

The Company also expects consolidated net income for the period to fall below initial forecasts, chiefly due to the booking of a special loss of ¥1.68 billion. Part of this special loss stems from efforts to turn around a sales subsidiary, responsible for sales to a department store chain facing deteriorating profits, and a related workforce restructuring plan for 115 employees during the interim period. This plan, which had almost been completed by the end of the fiscal

first half, resulted in severance costs of ¥455 million for premium severance pay and other items. In addition, the special loss constituted the booking of a ¥1.25 billion expense (¥1.2 billion initial forecast) related to the elimination of Itoham's approved retirement pension system.

Itoham is currently reviewing its full-year earnings forecasts, and plans to announce them together with its fiscal 2004 interim results on November 20, 2003.

Note:

The above forecasts are based on information available to management at the time of release. Readers are warned that actual results may differ materially from forecasts due to a range of factors.