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Itoham Foods Inc.
President: Masami Ito
Securities exchange code: 2284 (Tokyo and Osaka stock exchanges)
Inquiries: Koichi Gamo, Manager, Public Relations Office
Tel: 0798-66-1231

Itoham launches production and sale of ham and sausages for the Chinese market .

With this move, Itoham becomes the first Japanese food producer to launch sales in Beijing and other major cities in China.

Itoham Foods Inc. (Head office: Nishinomiya, Hyogo Prefecture; President: Masami Ito) will inaugurate its Beijing Office, a permanent representative facility in the Chinese capital, in late July. This move marks the first launch by a Japanese company of operations to produce and sell hams and sausages for the Chinese market.

Test-marketing is already underway, based on a comprehensive partnership Itoham formed with Jiangsu Yurun Food Industry Group Co., a Chinese producer of foodstuffs located in Nanjing, and Mitsui & Co., Ltd. Under technical guidance from Itoham, Yurun's Beijing Plant in Tongzhou District, Beijing, is currently producing Itoham-brand products and test-marketing them through supermarkets in Beijing and other key urban areas of China. In July Itoham will open a dedicated plant of its own, adjacent to Jiangsu Yurun's Beijing Plant, to supply major cities such as Dalian in northeastern China.

With the household adoption rate for refrigerators now topping 100% in China's coastal and urban areas, the market for chilled ham and sausages is growing steadily. Especially salient is the shift from traditional Chinese-style ham and sausages to Western-style products, as younger consumers enthusiastically embrace the globalization of food. We at Itoham are confident that this trend will strengthen further in the years to come.

Itoham's current plan is to continue to run production and sales activities in China through the partnership with Jiangsu Yurun while conducting a vigorous marketing campaign to raise the profile of the Itoham brand in that market. The Company hopes to join its two partners in establishing a joint venture in the near future.

Launch of sales: Late July 2003

Products sold: Roast ham, bacon and two wiener products

Corporate partners: Jiangsu Yurun Food Industry Group Co. and Mitsui & Co., Ltd.

Sales region: Beijing and other major cities

Sales volume (anticipated): 100 t per month