Financial Results
Year Ending March 31,2013

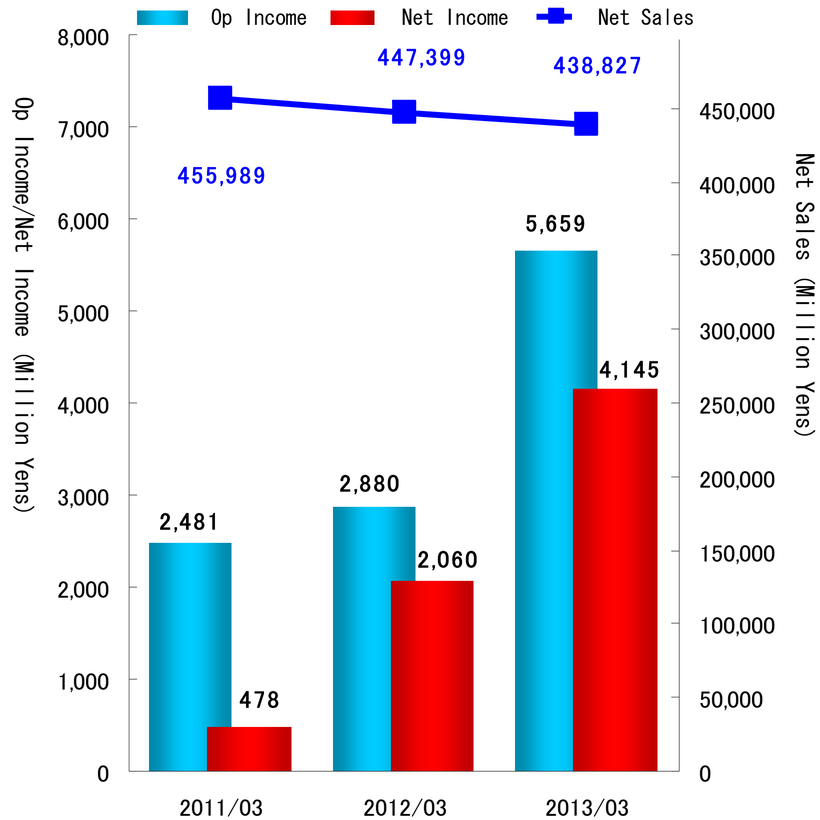
ITOHAM FOODS INC.

Summary of Consolidated Results - March, 2013

伊藤ハム

(Millions of Yen)

	2012/03	2013/03		
	Results	Results	% change	Change YoY
Net sales	447,399	438,827	-1.9%	-8,572
Gross profit on sales	84,393	84,316	-0.1%	-77
Selling, general and adminstrative expenses	81,512	78,657	-3.5%	-2,855
Operating income	2,880	5,659	96.5%	2,779
Ordinary income	4,401	5,631	27.9%	1,230
Other income and expenses	-1,842	-608		1,234
Income before taxes and minority interests	2,559	5,022	96.2%	2,463
Net income	2,060	4,145	101.2%	2,085



【Net Sales】…Decrease
- Prolonged deflated prices
- Sale of Chinese food subsidiary "Dairyu"
- Weakness in meat markets (First half of the year)

【Net Income】…Large Increase
- Big loss in equity-method capital return (Overseas)
- Reduction in Structural Reform Costs

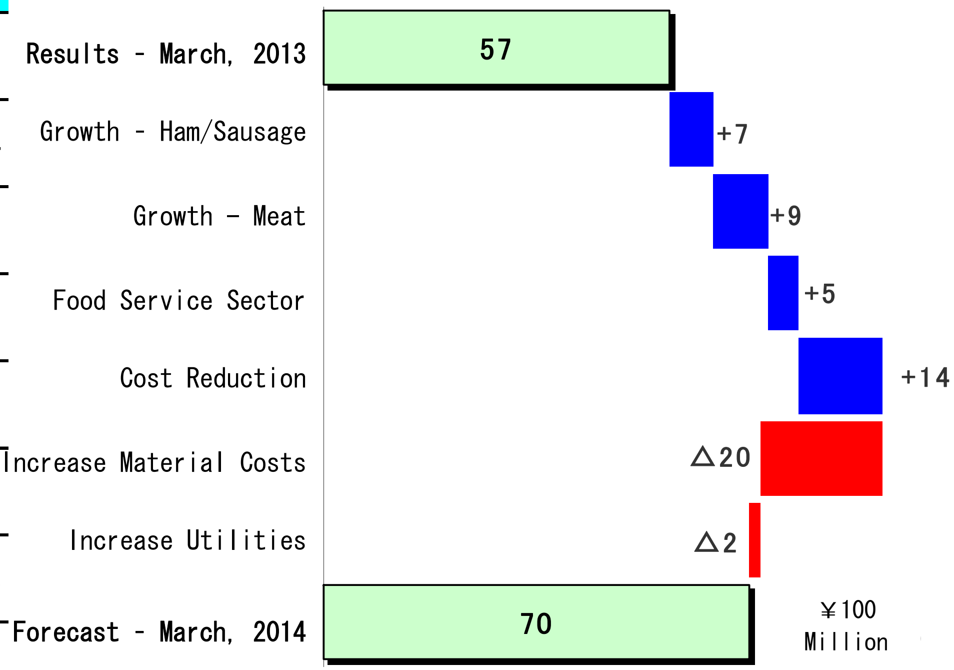
【Operating Profit】…Large Increase
- Strong Gift sales due to sales promotions
- Improvement in profitability of imported chicken
- Cost reductions due to business reforms
- Scrap/build of unprofitable items
- Benefits of Structural Reforms

Summary of Consolidated Forecasts - March, 2014

(Millions of Yen)

	2013/03	2014/03		
	Results	Forecasts	% change	Change YoY
Net sales	438,827	456,000	3.9%	17,173
Gross profit on sales	84,316	86,000	2.0%	1,684
Selling, general and adminstrative expenses	78,657	79,000	0.4%	343
Operating income	5,659	7,000	23.7%	1,341
Ordinary income	5,631	8,000	42.1%	2,369
Other income and expenses	−608	−300		308
Income before taxes and minority interests	5,022	7,700	53.3%	2,678
Net income	4,145	5,200	25.5%	1,055

Increase of Operating Income

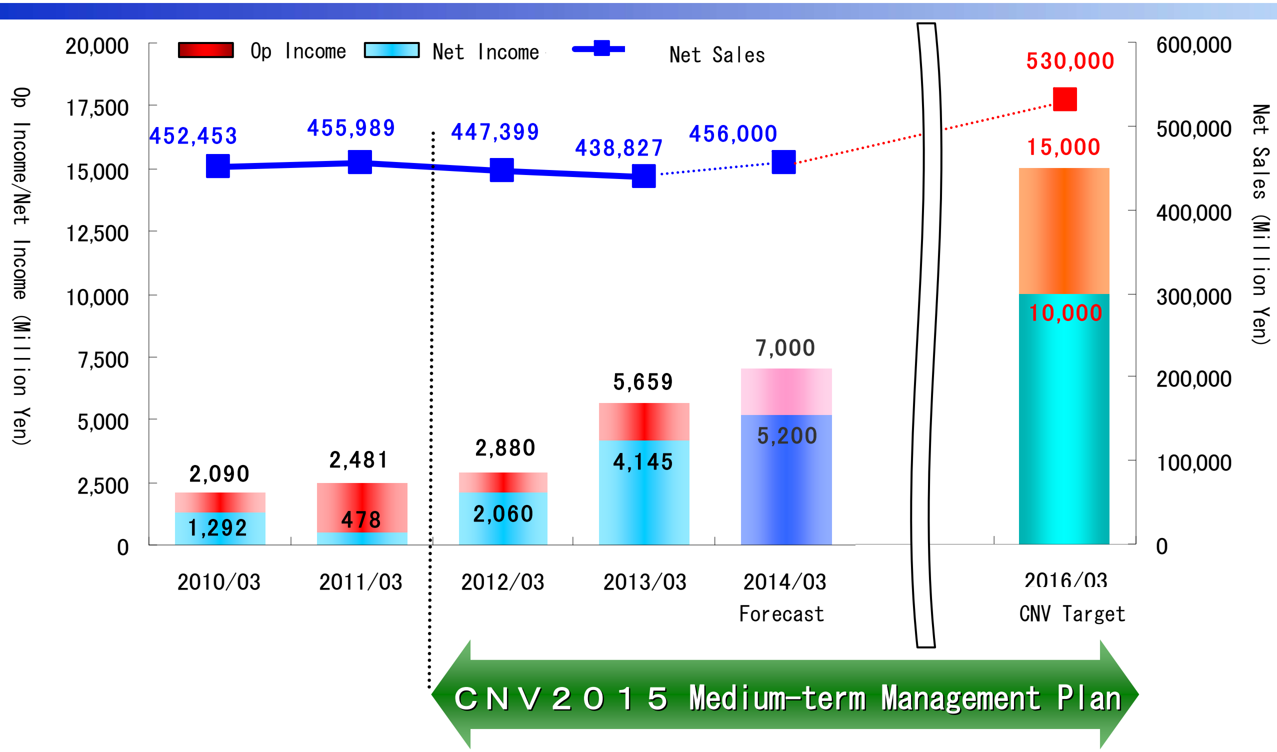


【Net Sales】…Increase
- Strengthening of food service sector sales
  (Ham & sausage/Meat/Processed food)
- Sales of US beef
- Sales of domestic beef/pork (including Export)

【Net Income】…Increase
- Improvement in equity-method capital return

【Operating Income】…Increase
- Improved profitability at food service sector
  (Ham & sausage/Meat/Processed food)
- Operation of Toride Plant
- Integrated beef/pork production in Southern Kyushu
- Continued cost reduction with reforms
- Large increase in raw material costs

CNV2015 Medium-term Management Plan



Achieve Targets set for 2015

Review of Structural Reforms

After 2 years of CNV 2015 – Lean structure by reforms

Cost reduction target for CNV2015 - 11 Billion yen

- ✔ Group Realignment
- ✔ Production Base Reorganization
- ✔ Downsizing Unprofitable Business
- ✔ Back-office Reforms
- ✔ Product Lineup Streamlining
- ✔ Personnel System Reforms

Cost reduction is on schedule

Growth Strategy Preview

Third year into CNV 2015 - Shift to Growth Strategy

- ✔ New Structure to target the food service sector
  Supply whole range of products
- ✔ Construction and start up of new plant in Toride
  September start up of casual food line
- ✔ Improved efficiency with Tokyo plant renovation
  Total expenditure of 7 billion yen
  Capacity increase of 20%
- ✔ Integrated beef/pork production in Southern Kyushu
  Strengthen meat value chain around Sankyo Meats

※Continue with cost reduction measures

Consolidated Profit/Loss Results

Million Yen

	2011/03	2012/03	2013/03									
	Full year	Full year	1Q	Change	2Q	Change	3Q	Change	4Q	Change	Full year	Change
Net Sales	455,989	447,399	104,475	-4,151	108,483	-4,617	129,560	542	96,309	-346	438,827	-8,572
COGS	363,934	363,006	84,902	-4,025	87,637	-4,612	101,081	624	80,890	-483	354,510	-8,496
Gross Profit	92,054	84,393	19,572	-126	20,846	-5	28,480	-82	15,418	136	84,316	-77
(% of Sales)	20.2%	18.9%	18.7%	0.6%	19.2%	0.8%	22.0%	-0.1%	16.0%	0.2%	19.2%	0.3%
S, G & A expenses	89,573	81,512	18,557	-859	19,889	-740	23,366	-495	16,845	-761	78,657	-2,855
(% of Sales)	19.6%	18.2%	17.8%	-0.1%	18.3%	0.1%	18.0%	-0.5%	17.5%	-0.7%	17.9%	-0.3%
Operating Income	2,481	2,880	1,014	732	958	737	5,113	412	-1,426	898	5,659	2,779
(% of Sales)	0.5%	0.6%	1.0%	0.7%	0.9%	0.7%	3.9%	-0.3%	-1.5%	0.9%	1.3%	0.7%
Non-Operating Gain/Loss	1,343	1,520	-198	-543	-160	-555	358	-41	-25	-409	-28	-1,548
Ordinary Income	3,825	4,401	816	189	798	181	5,471	372	-1,454	488	5,631	1,230
(% of Sales)	0.8%	1.0%	0.8%	0.2%	0.7%	0.2%	4.2%	0.2%	-1.5%	0.5%	1.3%	0.3%
Extraordinary Gain/Loss	-5,711	-1,842	-79	-20	-95	614	0	308	-434	332	-608	1,234
Income Before Taxes	-1,886	2,559	736	169	703	794	5,472	682	-1,889	818	5,022	2,463
Net Income	478	2,060	305	20	210	251	4,609	693	-979	1,121	4,145	2,085
(% of Sales)	0.1%	0.5%	0.3%	0.0%	0.2%	0.2%	3.6%	0.6%	-1.0%	1.2%	0.9%	0.4%
Net Income per Share	1.96	8.57									18.09	

Non-Operational Profit/Loss

【Changes】

Total : -1,550 million yen

Equity-method capital return -1,543 million yen

Extraordinary Gain/Loss

【Changes】

Total : +1,233 million yen

【Gain】 Securities sold : +331 million yen

【Loss】 Cost of structural Reforms :

-790 million yen

Consolidated Sales / Selling, General and Administrative Expenses

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Net Sales

Million Yen

	2011/03	2012/03	2013/03									
	Full year	Full year	1Q	Change	2Q	Change	3Q	Change	4Q	Change	Full year	Change
Net Sales	455,989	447,399	104,475	-4,151	108,483	-4,617	129,560	542	96,309	-346	438,827	-8,572
Ham/Sausage	122,530	123,161	27,545	-502	30,453	-1,264	39,394	-567	22,957	-479	120,349	-2,812
Processed Food	99,437	93,945	22,843	-239	23,496	-233	25,895	454	20,990	-703	93,224	-721
Meat	234,023	230,293	54,086	-3,410	54,535	-3,121	64,271	656	52,363	837	225,255	-5,038

Selling, General and Administrative Expenses

Million Yen

	2011/03	2012/03	2013/03									
	Full year	Full year	1Q	Change	2Q	Change	3Q	Change	4Q	Change	Full year	Change
Net Sales	455,989	447,399	104,475	-4,515	108,483	-4,617	129,560	542	96,309	-346	438,827	-8,572
Total S, G & A Expenses	89,573	81,512	18,557	-859	19,889	-740	23,366	-495	16,845	-761	78,657	-2,855
Labor	32,615	29,364	7,029	-570	6,949	-696	6,980	-184	6,524	-432	27,482	-1,882
Distribution	19,780	20,625	5,158	486	5,214	236	6,040	-179	4,820	64	21,232	607
Sub-total	52,395	49,989	12,187	-84	12,163	-460	13,020	-363	11,344	-368	48,714	-1,275
(% Net Sales)	11.5%	11.2%	11.7%	0.4%	11.2%	0.0%	10.0%	-0.4%	11.8%	-0.3%	11.1%	-0.1%
Advertisement	6,236	5,194	1,181	11	1,498	237	1,631	0	1,015	-153	5,325	131
Selling Fees	7,593	6,629	913	-34	1,686	-11	3,269	-2	671	-43	6,539	-90
Packaging	3,591	3,250	592	-71	873	21	1,465	223	433	-60	3,363	113
Depreciation	1,474	1,262	287	-46	311	-20	317	16	331	34	1,246	-16
Other Expenses	18,284	15,188	3,393	-639	3,357	-544	3,665	-368	3,049	-173	13,464	-1,724
% S,G & A Expenses	19.6%	18.2%	17.8%	-0.1%	18.3%	0.1%	18.0%	-0.5%	17.5%	-0.7%	17.9%	-0.3%

Segment Information

Million Yen

	Reporting Segments			Others *1	Total	Adjustments *2	Consolidated P/L Value
	Processed Food Division	Meat Division	Total				
Sales							
Sales to Outside	230,487	207,776	438,263	563	438,827		438,827
(Changes)	(−4,030)	(−4,534)	(−8,564)	(−9)	(−8,572)		(−8,572)
Internal Sales	3,353	68,451	71,804	1,477	73,282	−73,282	
Total	233,840	276,227	510,068	2,041	512,109	−73,282	483,827
(Changes)	(−3,513)	(−2,978)	(−6,491)	(61)	(−6,430)		(−8,572)
Sebment Income	4,990	645	5,635	25	5,661	−1	5,659
(Changes)	(2,115)	(715)	(2,831)	(−95)	(2,736)	(43)	(2,779)

(*) 1. Others are segments that are not reporting segments and includes employment agency and insurance brokerage

2. Adjustments to inventory

(Changes) represent changes to last year

Consolidated Balance Sheet

Million Yen

	Mar-'11	Mar-'12	Mar-'13	Change		Mar-'11	Mar-'12	Mar-'13	Change
Current Assets	119,777	110,661	120,105	9,444	Total Liabilities	87,827	82,202	88,509	6,307
Cash and Time Deposit	35,027	9,506	11,468	1,962	Current Liabilities	61,828	61,262	57,683	-3,579
Receivables	43,570	48,958	48,838	-120	Fixed Liablilities	25,999	20,939	30,826	9,887
Inventories	36,912	30,665	36,072	5,407	Net Assets	116,729	115,735	116,841	1,106
Other Current Assets	4,268	21,532	23,727	2,195	Shareholder's equity	116,115	114,928	113,064	-1,864
					Capital	28,427	28,427	28,427	0
Fixed Assets	84,779	87,276	85,245	-2,031	Capital Surplus	30,042	30,047	30,047	0
Tangible Assets	49,885	48,060	45,557	-2,503	Retained Earnings	59,778	61,116	64,563	3,447
Intangible Assets	1,330	1,230	1,563	333	Treasury Stock	-2,133	-4,662	-9,974	-5,312
Investments & Other Assets	33,563	37,985	38,125	140	Valuation Adjustments	-114	236	3,124	2,888
					Stock Acquisition Rights	82	60	75	15
					Minority interests	646	509	576	67
Total Assets	204,557	197,937	205,350	7,413	Liability and Net Assets	204,557	197,937	205,350	7,413

	Mar-'11	Mar-'12	Mar-'13	Change
Debt with Interest	22,512	29,001	27,548	-1,453
D/E Ratio	19.4%	25.2%	23.7%	-1.5%

Shareholder's equity	116,001	115,166	116,190	1,024
Capital to Asset Ratio	56.7%	58.2%	56.6%	-1.6%

Assets

Cash and deposits	:	+ 1,962
Account Recievable	:	▲ 120
Inventory	:	+ 5,406
Fixed Assets	:	▲ 2,500

million yen

Liabilies

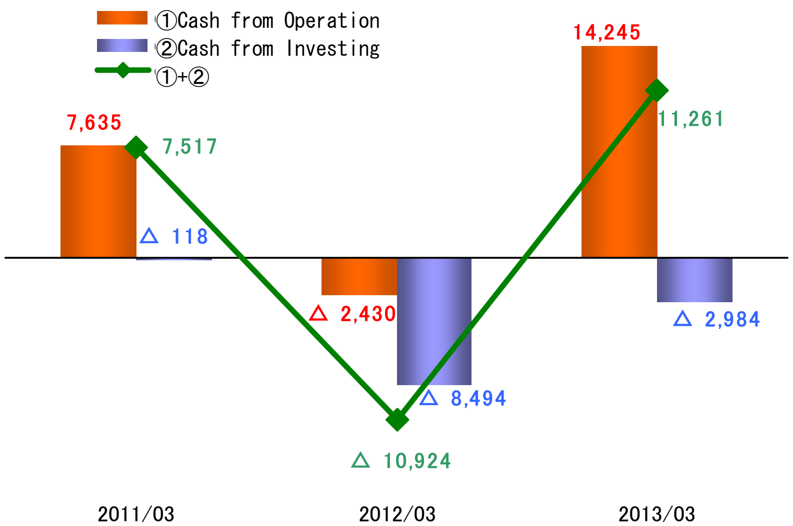
Account payable	:	+ 5,920
Debt with Interest	:	▲ 1,453

million yen

Cash Flow Calculation

Million Yen

	2011/03	2012/03	2013/03							
	Full year	Full year	1Q	Change	2Q	Change	3Q	Change	4Q	Change
① Cash from Operations	7,635	−2,430	−5,033	9,475	−6,993	11,414	−15,608	15,608	14,245	16,675
Income Before Taxes	−1,886	2,559	567	169	476	693	5,266	1,645	5,022	2,463
Depreciation	6,247	5,968		1,322	2,880	−187	4,383	−4,383	5,551	−417
Changes in Receivables	−691	−5,668		−2,241	−2,707	952	−28,401	28,401	198	5,866
Changes in Invetories	−130	6,148		−2,477	552	−5,163	2,697	−2,697	−5,327	−11,475
Changes in Payables	3,173	−9,422		7,216	−5,804	11,425	−1,074	1,074	5,889	15,311
Others	922	−2,015	−5,600	5,486	−2,390	3,424	1,521	−8,432	2,912	4,927
② Cash from Investments	−118	−8,494	−2,617	1,461	−6,858	5,791	−7,741	7,741	−2,984	5,510
③ Cash from Finacial Activite	−12,706	2,582	−540	−1,551	437	−3,681	4,647	−4,647	−8,195	−10,777
④ Cash at year end	34,706	26,285	26,566	1,038	21,324	5,093	15,861	−15,861	29,545	3,260
①+② Free Cash Flow	7,517	−10,924	−7,650	10,936	−13,851	17,205	−23,349	23,349	11,261	22,185



Consolidated Profit/Loss Forecast

Million Yen

	2012/03			2013/03			2014/03								
	1-2Q	3-4Q	Full year	1-2Q	3-4Q	Full year	1-2Q	% Change	Change	3-4Q	% Change	Change	Full Year	% Change	Change
Net Sales	221,726	225,673	447,399	212,958	225,869	438,827	218,100	2.4%	5,142	237,900	5.3%	12,031	456,000	3.9%	17,173
COGS	181,176	181,830	363,006	172,539	181,971	354,510	177,300	2.8%	4,761	192,700	5.9%	10,729	370,000	4.4%	1,549
Gross Profit	40,459	43,844	84,393	40,418	43,898	84,316	40,800	0.9%	382	45,200	3.0%	1,302	86,000	2.0%	1,684
(% of Sales)	18.3%	19.4%	18.9%	19.0%	19.4%	19.2%	18.7%		-18.8%	19.0%		-19.2%	18.9%		-0.3%
S, G & A expenses	40,045	41,467	81,512	38,446	40,211	78,657	38,700	0.7%	254	40,300	0.2%	89	79,000	0.4%	343
(% of Sales)	18.1%	18.4%	18.2%	18.1%	17.8%	17.9%	17.7%		-17.9%	16.9%		-17.6%	17.3%		-0.6%
Operating Income	503	2,377	2,880	1,972	3,687	5,659	2,100	6.5%	128	4,900	32.9%	1,213	7,000	23.7%	1,341
(% of Sales)	0.2%	1.1%	0.6%	0.9%	1.6%	1.3%	1.0%		-0.9%	2.1%		-1.6%	1.5%		0.2%
Non-Operating Gain/Loss	740	780	1,520	-358	330	-28	200	-155.9%	558	800	142.4%	470	1,000	-3671.4%	1,028
Ordinary Income	1,244	3,157	4,401	1,614	4,017	5,631	2,300	42.5%	686	5,700	41.9%	1,683	8,000	42.1%	2,369
(% of Sales)	0.6%	1.4%	1.0%	0.8%	1.8%	1.3%	1.1%		0.3%	2.4%		0.6%	3.5%		2.2%
Extraordinary Gain/Loss	-768	-1,074	-1,842	-174	-434	-608	-200		-26	-100		334	-300		308
Income Before Taxes	476	2,083	2,559	1,439	3,583	5,022	2,100	133.0%	661	5,600	56.3%	2,017	7,700	53.3%	2,678
Net Income	244	1,816	2,060	515	3,630	4,145	1,200		685	4,000	10.2%	370	5,200	25.5%	1,055
(% of Sales)	0.1%	0.8%	0.5%	0.2%	1.6%	0.9%	0.6%		0.4%	1.7%		0.1%	2.2%		0.6%
Net Income per Share (yen)			8.57			18.09							24.11		
Dividend per Share (yen)			3			5							7