

November 17, 2006

Itoham Foods Inc.

President: Chikara Kasai

Securities Code: 2284 (Tokyo Stock Exchange and Osaka Securities Exchange)

Inquiries: Toshiyuki Fujiyama, Director, Accounting and Financing Dept.

Tel: +81-798-66-1231

Revision of Earnings Forecasts for Fiscal 2007

In light of recent trends in the Company's business performance, Itoham Foods Inc. has revised its original earnings forecasts for fiscal 2007, which were announced on May 19, 2006 together with the fiscal 2006 results. Details are as follows.

**1. Revision of Non-consolidated Earnings Forecasts for Fiscal 2007
(April 1, 2006 to March 31, 2007)**

(Millions of yen)

	Net Sales	Ordinary Income (Loss)	Net Income (Loss)
Previous Forecasts: A (Announced May 19, 2006)	425,000	(500)	(1,350)
Revised Forecasts: B	407,500	1,000	(1,500)
Change: B – A	-17,500	1,500	-150
Change: B vs. A (%)	-4.1	—	—
Fiscal 2006 Results	423,306	(4,033)	(11,861)

**2. Revision of Consolidated Earnings Forecasts for Fiscal 2007
(April 1, 2006 to March 31, 2007)**

(Millions of yen)

	Net Sales	Ordinary Income (Loss)	Net Income (Loss)
Previous Forecasts: A (Announced May 19, 2006)	510,000	1,300	200
Revised Forecasts: B	501,000	2,000	(1,900)
Change: B – A	-9,000	700	-2,100
Change: B vs. A (%)	-1.7	53.8	—
Fiscal 2006 Results	517,275	(2,532)	(8,371)

3. Reasons for Revisions

(i) Non-consolidated

The Company has lowered its forecast for net sales, due primarily to the fact that sales in the Fresh Meat Division are expected to continue declining. However, the Company has raised its forecast for ordinary income. Higher raw material costs are expected to be outweighed by the benefits of efforts to reduce manufacturing expenses and the prospect of higher earnings due to price revisions for hams and sausages as well as processed foods. Despite the significant upwards revision for ordinary income, however, the net loss is expected to be slightly higher than projected. This reflects the additional booking of special losses related to implementation of the Revitalization Plan.

(ii) Consolidated

The Company expects persistently high prices for Australian cattle to have a negative impact on income, while lower equity in earnings of affiliates is also predicted. However, the Company has raised its forecast for ordinary income in line with the non-consolidated forecast.

Forward-looking Statements

The above forecasts are based on judgments made in light of information currently available. Actual results could differ materially from forecasts due to a number of factors.