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Itoham Foods Inc.

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### Progress of Comprehensive Business Alliance Agreement With Mitsubishi Corporation and Yonekyu

ITOHAM Foods, Inc. (Itoham) has announced the progress of a comprehensive business alliance agreement with Mitsubishi Corporation (MC) and Yonekyu Corp. (Yonekyu) that was concluded on January 30, 2009, as outlined below.

#### 1. Progress of the alliance

Under an Alliance Promotion Committee jointly established after the tie-up, the three companies have taken steps to cooperate in three fields:

Meat-related initiatives, processed food-related initiatives, and distribution-related initiatives. Subcommittees have been set up for each field to examine the following points in detail.

##### (1) Meat-related initiatives

###### A) Strengthen feed and livestock operations within Japan

Leverage feed supply capabilities of MC and meat sales capabilities of Itoham and Yonekyu to bolster each companies' existing meat production base while strengthening relations and expanding initiatives with other livestock operators.

###### B) Enhance overseas meat business

Coordinate the three companies' procurement operations for imported meat to enhance efficiency. Also coordinate overseas meat operations of the three companies.

###### C) Consolidate primary processing functions for processed meats

Mutually contract primary meat processing operations and

consolidate production facilities among the three companies to increase productivity of their existing primary meat processing operations.

These initiatives are intended to increase sales volumes of meat for all three companies while contributing to the healthy development of the feed and livestock industry and the meat industry in and outside of Japan.

## (2) Processed food-related initiatives

### A) Contract production of processed foods

We are examining a way to improve the efficiency of our production system by contracting production of processed foods between Itoham, which is strong in consumer products, and Yonekyu, which is strong in food products for foodservice use. The goal of this system would be to reduce production costs and further increase both companies' competitiveness in production and sales of processed foods.

### B) Reduce supply costs

Consolidate demand for supplies and auxiliary materials between Itoham and Yonekyu to increase buying efficiency.

## (3) Distribution-related initiatives

Consolidate and raise the efficiency of the distribution of goods and raw materials handled by the three companies by sharing deliveries, and other means.

## 2. Benefits of the alliance

Through the comprehensive business alliance agreement the three companies are targeting a combined annual benefit of 8 billion yen (on an operating income basis) within three to five years from fiscal 2011, the year ending March 31, 2011. A breakdown of the targeted benefit by field is as follows.

(1) Meat-related initiatives	4.5 billion yen
(2) Processed food-related initiatives	2.5 billion yen

(3) Distribution-related initiatives	1.0 billion yen
Total	8.0 billion yen

### 3. Impact on Itoham's Operating Results

This comprehensive business alliance agreement is expected to have only a negligible effect on Itoham's consolidated and non-consolidated operating results for the fiscal year ending March 31, 2010.