

March 14, 2006

**Itoham Foods Inc.**

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## Revision of Full-year Earnings and Dividend Forecasts for Fiscal 2006

In light of recent trends in the Company's business performance, Itoham Foods Inc. has revised its full-year earnings forecasts for fiscal 2006, which were announced on November 18, 2005 together with interim results. Itoham has also revised its year-end per-share dividend forecasts, with details as follows.

### 1. Revisions to Earnings Forecasts

#### (1) Revision of Non-consolidated Full-year Earnings Forecasts for Fiscal 2006 (April 1, 2005 ~ March 31, 2006)

(Millions of yen, %)

	Net Sales	Ordinary Income (Loss)	Net Income (Loss)
Previous Forecasts: A (Announced November 18, 2005)	452,000	(2,900)	(2,400)
Revised Forecasts: B	423,000	(4,300)	(12,300)
Change: B – A	-29,000	-1,400	-9,900
Change: B vs. A (%)	-6.4	—	—
Fiscal 2005 Full-year Results	422,292	2,576	1,574

#### (2) Revision of Consolidated Full-year Earnings Forecasts for Fiscal 2006 (April 1, 2005 ~ March 31, 2006)

(Millions of yen, %)

	Net Sales	Ordinary Income (Loss)	Net Income (Loss)
Previous Forecasts: A (Announced November 18, 2005)	530,000	1,000	(900)
Revised Forecasts: B	510,000	(2,600)	(8,900)
Change: B – A	-20,000	-3,600	-8,000
Change: B vs. A (%)	-3.8	—	—
Fiscal 2005 Full-year Results	505,461	6,510	4,872

### (3) Reasons for Revisions

#### (i) Non-consolidated

Itoham is projecting net sales below previous forecasts due to intensifying competition and a greater-than-expected drop off in demand. The forecast for ordinary income has also been

revised downward, reflecting the impact of lower sales and deterioration in the cost of sales due to higher purchasing prices and rising material costs related to surging crude oil prices. In addition to the factors affecting ordinary income, net income is expected to fall short of previous forecasts due to the booking of additional special losses of around ¥1.7 billion, primarily related to an allowance for doubtful receivables at a subsidiary, and roughly ¥4.6 billion for the reversal of deferred tax assets following a reappraisal of their likelihood of realization.

**(ii) Consolidated**

Revisions made as a result of changes to non-consolidated earnings forecasts.

**2. Revisions to Year-end Dividend Forecast**

**(1) Reasons for Revisions**

Returning profits to shareholders is one of Itoham's most important management considerations. Itoham's policy is to consistently pay stable dividends to shareholders while taking into account the Company's operating performance, future business plans and other factors. Itoham therefore regrets to inform you that it has made the following revisions to its year-end dividend forecast as a result of significant downward revisions to earnings forecasts for fiscal 2006.

There are no changes to the shareholder coupon system.

**(2) Details of Revisions**

(Yen; dividend per share)

	Interim	Year-end	Full-year
Previous Forecast (Announced November 18, 2005)	—	8.00	8.00
Revised Forecast	—	4.00	4.00
Previous Dividend (Fiscal 2005)	—	8.00	8.00

***Forward-Looking Statements***

*The above forecasts are based on management's assumptions and beliefs in light of information currently available and contain a number of risks and uncertainties. Investors are therefore cautioned that actual results could differ materially from forecasts due to a number of factors outside the control of the Itoham Group that include, but are not limited to, economic conditions in the Group's operating environment, market trends, exchange rate fluctuations and outbreaks of animal infection.*