

September 14, 2007

Itoham Foods Inc.

President: Chikara Kasai

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

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Itoham Announces Sale of Shares in Affiliate

Itoham Foods Inc. today announced the sale of shares in an equity-method affiliate, with details as follows.

1. Affiliate Name and Overview

Company name	McKey Food Services (Hong Kong) Ltd.
Location	Hong Kong, China
Representative	Richard Wong
Business	Processed meat production and sales
Shareholding	30%

2. Reason for Sale of Shares

Following a realignment of goals since the start of joint venture operations, Itoham is selling its shares in McKey Food Services to the major shareholder.

3. Purchaser of Shares

Company name	Keystone Foods (AP) Limited
Location	Hong Kong, China

4. Expected Transaction Value & Earnings

Transaction value US\$7,867,000

Forecast profits ¥883,000,000

5. Timetable for Sale of Shares

Contract signing September 28, 2007

Sale of shares

Early October 2007

6. Outlook

As the sale of shares will take Itoham's stake in McKey Food Services from 30% to 0%, the affiliate will be excluded from the scope of equity method affiliation. The exclusion of the affiliate will have a minimal impact on consolidated income. In addition, the profit on the sale of shares is expected to result in an increase in non-consolidated net income for the fiscal year ending March 31, 2008.

Furthermore, Itoham is currently conducting detailed investigation to establish whether amendments to earnings forecasts, including that for ordinary income, will be required for the fiscal year ending March 31, 2008. Amendments to forecasts will be announced as necessary.