

April 22, 2011

Itoham Foods Inc.

President: Mamoru Horio

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

Inquiries: Tadashi Hosomi, Public and Investor Relations Department

Tel: +81-798-66-1231

Notice Regarding Group Realignment

Itoham Foods Inc. is preparing to conduct a Group realignment as a specific measure to enhance cost competitiveness – one of the policies stipulated in the Medium-term Management Plan announced on January 31, 2011. Following an examination of how best to proceed, the Board of Directors today announced that it has decided a concrete direction for the Group realignment efforts.

1. Details Regarding Group Realignment

(1) Realignment of processed foods business in Kyushu and Chugoku/Shikoku areas

① Purpose of realignment

The realignment will establish a regional subsidiary integrating production through to sales in the processed foods business in the Kyushu and Chugoku/Shikoku areas, with systems to be tailored to regional features and business characteristics. In this way, the Group will build a structure capable of responding swiftly to changes in the market environment.

② Schedule (tentative)

Establishment of new company: October 1, 2011

(2) Realignment of Distribution Functions

① Purpose of realignment

By leveraging greater centralization of the Itoham Group's distribution

functions to expand economies of scale and streamline distribution, the Group aims to realize more efficient distribution functions and enhanced cost competitiveness.

② Schedule (tentative)

Establishment of new company: October 1, 2011

(3) Realignment of Operational Support Functions

① Purpose of realignment

By taking advantage of specialized skills and extensive know-how in personnel-related operations, the goals are to realize greater operational efficiency throughout the Itoham Group and to offer high-quality, low-cost personnel services within the Group.

② Schedule (tentative)

Establishment of new company: October 1, 2011

(4) Merger of Subsidiaries

① Purpose of merger

The integration in the processed foods business of regional subsidiaries Itoham Daily Inc. and Itoham Shokuhin Inc. is designed to allow for more effective human resource utilization, and to result in a stronger corporate structure and improved cost competitiveness.

Furthermore, the streamlining and realignment of redundant operational functions and domains should lead to more improved business efficiency.

② Schedule (tentative)

Date of merger: October 1, 2011

③ Overview of the merging companies (As of March 31, 2010)

1. Company names	Itoham Daily Inc.	Itoham Shokuhin Inc.
2. Locations	20 Takashimizu Raikozawa, Kurihara-shi, Miyagi	4-27, Takahata-cho, Nishinomiya-shi, Hyogo
3. Representatives	Isao Sasaki	Yutaka Shishido
4. Lines of business	Manufacture and sale of processed meat	Manufacture of processed meat

	products, pre-cooked and processed foods, and prepared dishes	products, pre-cooked food products, frozen foods, and prepared dishes
5. Capital	¥500 million	¥312 million
6. Fiscal year-end	March 31	March 31
7. Shareholding	Itoham Foods Inc. 100%	Itoham Foods Inc. 100%
8. Net Sales	¥26,500 million	¥2,200 million

2. Overview of the New Companies

Overviews, merger methods, and other details pertaining to the new companies will be decided ahead of the proposed dates of establishment and merger.

In conjunction, details regarding how employees will be impacted by these actions will be determined following discussions with the labor union.

3. Outlook

The precise impact of Group realignment on business performance is undetermined at this time. A follow-up announcement will be forthcoming once this issue is finalized.