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Itoham Foods Inc.

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**Government Approval for Return of Substitutional Portion
of Employees' Pension Fund**

Following the implementation of the Defined Benefit Corporate Pension Law, Itoham applied to Japan's Minister of Health, Labour and Welfare for a return of the substitutional portion of the Employees' Pension Fund. Subsequently, on March 1, 2004, the Company received approval for exemption from all future obligations for payments with respect to the fund.

In line with this decision, the Company has applied the transitional provisions established in Chapter 47, Paragraph 2, of the Japanese Institute of Certified Public Accountants (JICPA) Accounting Committee Report No. 13 "Practical Guidelines on Accounting for Retirement Benefits (Interim Report)." On the date of approval by Japan's Minister of Health, Labour and Welfare, the Company eliminated from its books the future pension obligation related to the substitutional portion of the Employees' Pension Fund. As a result, the Company expects to book a special profit of ¥5.8 billion for the year ending March 31, 2004.

This special profit has already been factored into full-year earnings forecasts announced together with fiscal 2004 consolidated third-quarter earnings results on February 6, 2004.