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Itoham Foods Inc.

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

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## Notice Regarding Revisions of Earnings Forecasts and Extraordinary Losses Recorded for the Year Ended March 31, 2011

In light of the recent trends and events affecting the Company's business performance, Itoham Foods Inc. has revised the earnings forecasts it previously announced on November 5, 2010. The Company has also recorded extraordinary losses for fiscal 2011.

Details are as follows.

### 1. Revision of earnings forecasts for fiscal 2011

#### Revision of Consolidated Full-year Earnings Forecasts for Fiscal 2011 (April 1, 2010 to March 31, 2011)

	Net sales	Operating income (loss)	Ordinary income (loss)	Net income (loss)	Net income (loss) per share
	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Yen
Previous forecasts (A)	454,000	2,700	3,200	2,000	8.20
Revised forecasts (B)	456,000	2,500	3,800	500	2.05
Change: B – A	2,000	(200)	600	(1,500)	—
Change (%)	0.4	(7.4)	18.8	(75.0)	—
(Reference) Results in previous year (fiscal 2010)	452,453	2,090	3,290	1,292	5.27

#### Reasons for revisions

Although net sales are expected to exceed the previously announced forecast, operating income is now expected to fall below forecast due to strong downward pressure on sales

prices. By contrast, an increase in equity in earnings of affiliates is now poised to push ordinary income higher than previously forecast. Net income is now expected to fall below forecast, however, due to mounting extraordinary losses accompanying structural reforms and from damage incurred in the earthquake and tsunami on March 11, 2011.

Note: The above forecasts are based on judgments made in light of the information available and certain assumptions deemed to be rational at the time of announcement. Actual results could differ materially from forecasts due to a number of factors.

## 2. Details of the recorded extraordinary losses

### Consolidated

#### 1) Impairment losses

The Company has recorded ¥3.8 billion in impairment losses on a consolidated basis for fiscal 2011.

The losses include ¥0.8 billion in impairment losses resulting from the closure of a factory in Funabashi, Chiba Prefecture, which the company made public on January 31, 2011. They also include impairment losses on tangible fixed assets the Company decided to record after re-examining the manufacturing and leasable real estate assets of a subsidiary, and changes in the subsidiary's recoverable cash flows this brought about.

#### 2) Earthquake damage

The Company recorded ¥1.1 billion in earthquake damage on a consolidated basis. These losses resulted from the disposal of inventory assets and repairs to property, plant and equipment damaged in the earthquake and tsunami, as previously announced on April 12, 2011.

### Non-consolidated

Non-consolidated, the Company recorded ¥1.8 billion in allowances for doubtful accounts as subsidiaries recorded extraordinary losses on voluntary retirement programs and asset impairments.