

January 30, 2009

Itoham Foods Inc.

President: Chikara Kasai

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

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Itoham to Issue Shares for Private Placement Subscription

The Board of Directors of Itoham Foods, Inc. has decided today to issue shares for subscription to a private placement of shares, the details of which are described below.

1. Purpose of Issue of Shares for Private Placement

Today, Itoham has decided to issue shares via a private placement of shares to be subscribed to by Mitsubishi Corporation (MC).

Amid continuing instability in the fund procurement environment from turmoil in the global financial markets, Itoham has chosen to issue shares for a private placement of shares to be subscribed to by MC in order to secure the funds necessary for its future business operations. Itoham has taken this step to make certain that it has adequate funds on hand and that it maintains and strengthens the strong financial position required to ensure stable business operations, in addition to safeguarding its future growth.

The subscriber, MC, and Itoham have developed a relationship of close and mutual communication and friendship through many years of business transactions, as well as through joint ventures in meat production in Australia and the United States, among other areas. In addition to its global network, MC has a competitive edge in Japan's domestic distribution sector. The increased shareholding by MC via private placement will further bolster the relationship between Itoham and MC, which should translate into improved corporate value and competitiveness for Itoham.

As a result of subscription to this private placement, MC's shareholding in

Itoham will increase from its present 3.63% to 18.04%. Additional purchases of Itoham shares from Itoham Chairman Kenichi Ito are expected to raise MC's shareholding in Itoham to 20.06%.

Today, Itoham has also signed a comprehensive business alliance agreement with MC and Yonekyu Corp. Details of the alliance can be found in a separate press release issued today titled "Itoham Inks Comprehensive Business Alliance Agreement With Mitsubishi Corporation and Yonekyu."

2. Amount and Use of Funds Procured via Private Placement

(1) Amount of funds to be procured (net of deductions)

12,024,450,000 yen

(2) Specific use for funds procured

Funds will be allocated to working capital.

(3) Period for payment of procured funds

February 2009 to June 2009

(4) Rationale for the use of procured funds

Presently, Itoham incurs accounts payable in advance in order to meet demand for the traditional year-end gift-giving season in Japan, with the collection of accounts receivable occurring some one to three months later. Itoham typically turns to fund management utilizing short-term bank loans to ensure that it has the necessary working capital during this period. Under normal circumstances, it is possible to secure working capital through the collection of accounts receivable. However, due to the decline in sales precipitated by the underground water problem that emerged at the Tokyo Plant last year, the collection of accounts receivable is expected to be lower than usual. In parallel, securing future working capital will be vital for the procurement of raw materials and other uses from the first quarter of the upcoming fiscal year. Amid uncertainty in the fund procurement environment sparked by financial instability, securing working capital for the anticipated procurement of raw materials going forward through this private placement of shares will safeguard the stability of Itoham's business operations, while contributing to greater competitive strength and

improvement in its corporate value. It is for these reasons that Itoham has chosen to use the funds procured in the manner described.

3. Operating results for 3 Most Recent Years and Equity Financing

(1) Operating results for 3 most recent terms (Consolidated)

(Millions of yen)

| Business term | Ended March 31, 2006 | Ended March 31, 2007 | Ended March 31, 2008 |
|-------------------------------|-------------------------|-------------------------|-------------------------|
| Net sales | 517,275 | 504,348 | 517,950 |
| Operating income | (3,936) | 2,943 | 6,107 |
| Ordinary income | (2,532) | 3,874 | 6,867 |
| Net income | (8,371) | (1,386) | 4,395 |
| Net income per share (yen) | (40.17) | (6.65) | 21.10 |
| Dividends per share (yen) | 4 | 4 | 5 |
| Net assets per share (yen) | 581.45 | 565.87 | 566.59 |

(2) Issued Shares and Residual Shares as of September 30, 2008

| Type | No. of shares | Percentage of issued shares |
|---|--|-----------------------------|
| No. of issued shares | 210,482,533 shares (incl. treasury stock) | 100% |
| No. of residual shares based on conversion price (exercise price) at present | — shares | — % |
| No. of residual shares based on lowest possible conversion price (exercise price) | — shares | — % |
| No. of residual shares based on highest possible conversion price (exercise price) | — shares | — % |

(3) Recent Stock Price

① 3 most recent years

| | Year ended March 31, 2006 | Year ended March 31, 2007 | Year ended March 31, 2008 |
|----------------|------------------------------|------------------------------|------------------------------|
| Starting price | 535 yen | 452 yen | 540 yen |
| High | 540 yen | 577 yen | 590 yen |
| Low | 445 yen | 422 yen | 404 yen |
| Closing price | 452 yen | 539 yen | 587 yen |

② Most recent 6 months

| | July 2008 | August | September | October | November | December |
|----------------|-----------|---------|-----------|---------|----------|----------|
| Starting price | 525 yen | 585 yen | 571 yen | 498 yen | 334 yen | 352 yen |
| High | 605 yen | 600 yen | 586 yen | 501 yen | 407 yen | 358 yen |
| Low | 499 yen | 522 yen | 472 yen | 228 yen | 308 yen | 291 yen |
| Closing price | 592 yen | 570 yen | 489 yen | 299 yen | 356 yen | 325 yen |

③ Stock price prior to decision to issue shares

| | As of January 29, 2009 |
|----------------|------------------------|
| Starting price | 296 yen |
| High | 297 yen |
| Low | 293 yen |
| Closing price | 297 yen |

(4) Equity Financing for Private Placement
Increase in shareholding via private placement

| | |
|--|---|
| Date of issue | February 16, 2009 |
| Amount of funds to be procured | 12,024,450,000 yen (Issue price of 325 yen) (Net of deductions) |
| No. of issued shares at time of subscription | 210,482,533 shares |
| Shares to be issued for private placement | 37,000,000 shares |
| No. of issued shares after subscription | 247,482,533 shares |
| Subscriber | Mitsubishi Corporation |

(5) Equity Financing for 3 Most Recent Years
None

4. Principal Shareholders and Percentage of Shares Held

| Prior to private placement (September 30, 2008) | | After private placement | |
|---|-------|--|--------|
| Japan Trustee Services Bank, Ltd. | 7.80% | Mitsubishi Corporation | 20.06% |
| The Master Trust Bank of Japan, Ltd. | 5.71% | Japan Trustee Services Bank, Ltd. | 6.63% |
| The Ito Foundation | 5.70% | The Master Trust Bank of Japan, Ltd. | 4.85% |
| Toei Shoji Co., Inc. | 4.53% | The Ito Foundation | 4.84% |
| Kenichi Ito | 3.92% | Toei Shoji Co., Inc. | 3.86% |
| Mitsubishi Corporation | 3.63% | Marubeni Corporation | 2.86% |
| Marubeni Corporation | 3.37% | Mizuho Corporate Bank, Ltd. | 2.54% |
| Mizuho Corporate Bank, Ltd. | 2.99% | Sumitomo Mitsui Banking Corporation | 2.54% |
| Sumitomo Mitsui Banking Corporation | 2.99% | The Bank of Tokyo-Mitsubishi UFJ, Ltd. | 2.54% |
| The Bank of Tokyo-Mitsubishi UFJ, Ltd. | 2.99% | The Ito Cultural Foundation | 2.50% |

(Note) The percentage of shares held by Mitsubishi Corporation after the private placement reflects the acquisition of shares from Itoham Chairman Kenichi Ito on the same date.

5. Impact on Itoham Operating Results

The private placement of shares is expected to have a negligible impact on Itoham's consolidated and non-consolidated operating results for the fiscal year ending March 31, 2009.

6. Rationale of Issue Terms

(1) Basis for calculation of issue price

The issue price is calculated based on the average closing price (rounded to the nearest yen) for shares of common stock in Itoham on the Tokyo Stock Exchange between October 30, 2008 and January 29, 2009.

(2) Basis of determination that issue volume and scale of share dilution are reasonable

The scale of the issue of shares to accompany the private placement of shares is 17.57% of Itoham's total number of issued shares (prior to subscription); from this private placement, together with current shareholdings by MC and the acquisition of shares from Itoham Chairman Kenichi Ito, MC will own 20.06% (after subscription) of Itoham's issued shares.

Amid global uncertainty in the financial markets, the funds issued in conjunction with this private placement of shares will be earmarked for Itoham's working capital. This move is expected to guarantee stable business operations, while benefits from the ensuing business alliance are expected to enhance Itoham's competitiveness and contribute to improved corporate value going forward. For this reason, we have determined that both the extent of the volume of shares to be issued for the private placement of shares and the dilution of shares that will result are of a reasonable level.

7. Reason for Selection of Subscriber

(1) Overview of Subscriber (as of September 30, 2008)

| | | | | | | | | | | | |
|--|---|---|-------|---|-------|--------------------------------------|-------|-------------------------------------|-------|------------------------|-------|
| ① Name | Mitsubishi Corporation | | | | | | | | | | |
| ② Businesses | Diverse businesses in a broad range of fields, including domestic trading, import, export and foreign trading of energies, metals, machinery, chemicals and living essentials, provision of information, finance, logistics and other services, and domestic and international business investment. | | | | | | | | | | |
| ③ Established | April 1950 | | | | | | | | | | |
| ④ Head Office | 3-1, Marunouchi 2-chome, Chiyoda-ku, Tokyo, Japan | | | | | | | | | | |
| ⑤ Representative | Yorihiko Kojima, Representative Director, President & CEO | | | | | | | | | | |
| ⑥ Capital | 202,698 million yen | | | | | | | | | | |
| ⑦ No. of Issued Shares | 1,695,791,258 shares | | | | | | | | | | |
| ⑧ Net Assets | 2,880,478 million yen | | | | | | | | | | |
| ⑨ Total Assets | 12,585,244 million yen | | | | | | | | | | |
| ⑩ Fiscal Year-end | March 31 | | | | | | | | | | |
| ⑪ No. of Employees | 60,918 (Consolidated) | | | | | | | | | | |
| ⑫ Principal Shareholders and Percentage of Shares Held (Top 5) | <table> <tr> <td>Tokio Marine & Nichido Fire Insurance Co., Ltd.</td> <td>5.49%</td> </tr> <tr> <td>Japan Trustee Services Bank, Ltd. (Trust Account)</td> <td>5.25%</td> </tr> <tr> <td>The Master Trust Bank of Japan, Ltd.</td> <td>4.32%</td> </tr> <tr> <td>Meiji Yasuda Life Insurance Company</td> <td>4.24%</td> </tr> <tr> <td>Mitsubishi Corporation</td> <td>3.12%</td> </tr> </table> | Tokio Marine & Nichido Fire Insurance Co., Ltd. | 5.49% | Japan Trustee Services Bank, Ltd. (Trust Account) | 5.25% | The Master Trust Bank of Japan, Ltd. | 4.32% | Meiji Yasuda Life Insurance Company | 4.24% | Mitsubishi Corporation | 3.12% |
| Tokio Marine & Nichido Fire Insurance Co., Ltd. | 5.49% | | | | | | | | | | |
| Japan Trustee Services Bank, Ltd. (Trust Account) | 5.25% | | | | | | | | | | |
| The Master Trust Bank of Japan, Ltd. | 4.32% | | | | | | | | | | |
| Meiji Yasuda Life Insurance Company | 4.24% | | | | | | | | | | |
| Mitsubishi Corporation | 3.12% | | | | | | | | | | |
| ⑬ Principal Bank | The Bank of Tokyo-Mitsubishi UFJ, Ltd. | | | | | | | | | | |

| | | | | |
|---|---------------------------|---|----------------------|--|
| ⑭ Relationships Between the Subscriber and the Listed Company | Capital relationships | Subscriber is a principal shareholder of Itoham, and owns 7,656,928 shares (3.63%) of Itoham stock. | | |
| | Business relationships | Subscriber purchases and sells meat and other products sold by Itoham. | | |
| | Personnel relationships | None | | |
| | Status as a related party | None | | |
| ⑮ Operating Results for 3 Most Recent Years (Consolidated) | | | | |
| Business term | Ended March 31, 2006 | Ended March 31, 2007 | Ended March 31, 2008 | |
| Operating transactions (Millions of yen) | 19,069,181 | 20,526,570 | 23,103,043 | |
| Income from continuing operations before income taxes (Millions of yen) | 488,143 | 602,107 | 544,505 | |
| Net income (Millions of yen) | 353,286 | 415,518 | 462,788 | |
| Net income per share (yen) | 217.38 | 246.30 | 278.95 | |
| Dividend per share (yen) (individual) | 35.00 | 46.00 | 56.00 | |
| Net assets per share (yen) | 1,418.16 | 1,751.89 | 1,750.67 | |

(2) Rationale for Selection of Subscriber

Over the years, Itoham and MC have collaborated on the management of joint ventures in the meat production business overseas, and MC has purchased and sold meat and other products sold by Itoham. However, in light of intensifying competition in the domestic meat market, and to enhance Itoham's competitiveness in the international meat market, the decision was made to further strengthen the relationship founded on this business alliance. This stronger relationship is expected to enhance both Itoham's competitiveness and its corporate value. Itoham chose MC as the subscriber to this new issue of shares in order to bolster this business alliance and facilitate its smooth and precise implementation.

(3) Shareholding Policy for Subscriber

The subscriber, Mitsubishi Corporation, is expected to become a long-term shareholder of Itoham.

Itoham plans to receive assurances from the subscriber, MC, that it will be notified in writing of the details of any full or partial transfer of the shares allotted to MC for this private placement taking place within 2 years of the payment date for the new shares (February 16, 2009).

(Separate Attachment) Overview of Share Issue

(1) No. of new shares to be issued

37,000,000 shares of common stock

(2) Issue price

325 yen per share

(3) Total issue price

12,025,000,000 yen

(4) Amount in capital

6,012,500,000 yen

(5) Subscription or allotment method

Issue of new shares via private placement

(6) Application date

February 7, 2009

(7) Payment date

February 16, 2009

(8) Matters regarding ownership of stock certificates

Itoham plans to receive assurances that it will be notified in writing of the details of any full or partial transfer of the shares allotted taking place within 2 years of the issue of the new shares.

(9) The effective enforcement of the abovementioned items is contingent pending notification based on Japan's Financial Instruments and Exchange Law.