

April 22, 2011

Itoham Foods Inc.

President: Mamoru Horio

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

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Notice Regarding Absorption and Merger (Simple Merger/Short-form Merger) of Consolidated Subsidiary (Hoei Bussan Co., Ltd.)

Itoham Foods Inc. has announced that the Board of Directors today has decided to carry out the merger and absorption of wholly owned subsidiary Hoei Bussan Co., Ltd.

Because this merger involves the simple absorption and merger of a wholly owned subsidiary, the disclosure of certain matters and details concerning this action are omitted.

1. Reason for the Merger

Hoei Bussan Co., Ltd. is primarily involved in the import/export and sale in Japan of fresh meat, and is a wholly owned subsidiary of Itoham Foods Inc. In line with one of the policies of the Medium-term Management Plan announced on January 31, 2011, the Itoham Group is determined to bolster its cost competitiveness, and is carrying out Group realignment as a specific measure to this end. The aforementioned merger with the subsidiary is expected to boost efficiency, while maintaining and strengthening the Group's competitive advantage.

2. Key Points of the Merger

Date of resolution by Board of Directors: April 22, 2011

Date of merger agreement: April 22, 2011

Effective date of merger: June 1, 2011

*For Itoham Foods Inc., this merger is a simple merger pursuant to regulations stipulated by Article 796-3 of the Companies Act of Japan. For Hoei Bussan Co., Ltd., the merger is a short-form merger pursuant to regulations stipulated by Article 784-1 of the same Act. As such, no approval is required from the general meeting of shareholders of either company to conduct this merger.

3. Type of Merger

An absorption-type merger will be conducted, in which Itoham Foods Inc. will be the surviving company. Hoei Bussan Co., Ltd. will be dissolved.

4. Merger-related Allocations

Because the merger will take place with a wholly owned subsidiary of Itoham Foods Inc., no new shares will be issued and no merger-related payments will be made.

5. Handling of New Share Subscription Rights and Bonds with Share Subscription Rights

Hoei Bussan Co., Ltd. has issued no new share subscription rights or bonds with share subscription rights.

6. Overview of the Merging Companies

1. Company names	Itoham Foods Inc.	Hoei Bussan Co., Ltd.
2. Locations	2-1, 3-chome, Bingocho, Nada-ku, Kobe-shi, Hyogo	6-21, 1-chome, Mita, Meguro-ku, Tokyo
3. Representatives	President: Mamoru Horio	President: Akira Sakaue
4. Lines of business	Manufacture and sale of processed meat products and fresh meat	Import/export and sale in Japan of fresh meat

5. Capital	¥28,427 million	¥300 million
6. Dates founded	June 29, 1948	April 30, 1988
7. Number of shares of common stock issued	247,482,533	6,000
8. Fiscal year-end	March 31	March 31
9. Principal shareholders and voting rights held (As of September 30, 2010)	Mitsubishi Corporation 20.06% Japan Trustee Services Bank, Ltd. 8.50% The Master Trust Bank of Japan, Ltd. 6.77% The Ito Foundation 4.85% S Kikaku KK 4.06%	Itoham Foods Inc. 100%
10. Prior-year operating results and financial position (As of March 31, 2010)		
Net Assets	¥119,855 million (consolidated)	¥2,098 million (non-consolidated)
Total Assets	¥217,457 million (consolidated)	¥12,858 million (non-consolidated)
Net Assets per Share	¥485.85 (consolidated)	¥349,705.22 (non-consolidated)
Net Sales	¥452,453 million (consolidated)	¥41,206 million (non-consolidated)
Operating Income	¥2,090 million (consolidated)	¥499 million (non-consolidated)
Ordinary Income	¥3,290 million (consolidated)	¥508 million (non-consolidated)
Net Income	¥1,292 million (consolidated)	¥2,332 million (non-consolidated)
Net Income per Share	¥5.27 (consolidated)	¥55,374.23 (non-consolidated)

7. Status After the Merger

The company name, location, representative name and title, lines of business, capital, and fiscal year-end of Itoham Foods Inc. will remain unchanged following the merger.

8. Outlook

Because the merger will take place with a wholly owned subsidiary of Itoham Foods Inc., this action will have a negligible effect on Itoham Foods' consolidated business performance.