

April 19, 2012

Itoham Foods Inc.  
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Securities Code: 2284  
(Tokyo Stock Exchange and Osaka Securities Exchange)  
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## **Notice Regarding Merger Between Consolidated Subsidiaries**

Itoham Foods Inc. announced that at a meeting held today, the Board of Directors has decided to merge Itoham consolidated subsidiaries I.H. Logistics Service Inc. and Itoham Distribution Co., Ltd., with details as follows.

### 1. Purpose of the Merger

I.H. Logistics Service Inc. and Itoham Distribution Co., Ltd. are subsidiaries responsible for the Itoham Group's distribution functions. By integrating these subsidiaries, Itoham will promote greater economies of scale and streamline distribution, with the aim of raising the efficiency of distribution functions and boosting the cost competitiveness of the Group as a whole.

### 2. Details of the Merger

#### (1) Type of Merger

An absorption-type merger will be conducted, in which I.H. Logistics Service Inc. will be the surviving company. Itoham Distribution Co., Ltd. will be dissolved.

#### (2) Merger-related Allocations

Because both merging companies are wholly owned subsidiaries of Itoham Foods Inc., no new shares will be issued and no merger-related payments will be paid.

(3) Overview of merging companies

	Surviving company	Company to be dissolved
1. Company names	I.H. Logistics Service Inc.	Itoham Distribution Co., Ltd.
2. Locations	4-27 Takahatacho, Nishinomiya City, Hyogo Prefecture	4-27 Takahatacho, Nishinomiya City, Hyogo Prefecture
3. Representatives	President: Toyokazu Yamaoka	President: Kazumichi Hiranaga
4. Lines of business	Storage, shipping and delivery of processed meat products and processed foods	Storage, shipping and delivery of processed meat products and processed foods
5. Capital	¥90 million	¥90 million
6. Dates founded	July 1, 2011	April 1, 1999
7. Number of shares of common stock issued	1,800	1,800
8. Fiscal year-end	March 31	March 31
9. Number of employees	226 (as of February 29, 2012)	320 (as of February 29, 2012)
10. Shareholder composition	Itoham Foods Inc. 100%	Itoham Foods Inc. 100%
Prior year (fiscal year ended March 31, 2011) operating results and financial position ( <u>as of March 31, 2011</u> )		
Net Sales	-	¥11,028 million
Operating Income	-	¥202 million
Ordinary Income	-	¥208 million
Net Income	-	¥22 million
Net Assets	-	¥446 million
Total Assets	-	¥1,903 million

Note: No figures for operating results or financial position in the fiscal year ended March 31, 2011 are shown for I.H. Logistics Service Inc. because the company was founded on July 1, 2011.

(4) Merger Schedule

Date of Board of Directors' meeting for approval of merger (Itoham Foods Inc.):  
April 19, 2012

Date of Board of Directors' meeting for approval of merger (merging companies):  
April 19, 2012

Date of merger agreement (merging companies):  
April 19, 2012

Date of general meeting of shareholders for approval of merger (merging companies):  
May 25, 2012 (planned)

Date of merger (Effective date of merger)  
October 1, 2012 (planned)

#### (5) Status After the Merger

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

### 3. Outlook

The Itoham Group has yet to determine the impact of the merger on business results, and will announce details as soon as they are finalized.