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Revision of Earnings and Dividends Forecasts, and Reduction in Corporate Officers' Remuneration

In light of recent trends and events affecting the Company's business performance, Itoham Foods Inc. has revised the earnings and dividends forecasts for fiscal 2009 previously announced on December 16, 2008. In conjunction with the revisions, the Company has also decided to reduce the remuneration of corporate officers. Details are as follows.

I. Revision of Earnings Forecasts

1. Revision of Non-consolidated Full-year Earnings Forecasts for Fiscal 2009 (April 1, 2008 to March 31, 2009)

(Millions of yen)

	Net Sales	Operating Income (Loss)	Ordinary Income (Loss)	Net Income (Loss)	Net Income (Loss) per Share (yen)
Previous Forecasts: A (Announced December 16, 2008)	407,000	(500)	700	(1,800)	(8.64)
Revised Forecasts: B	411,000	(4,500)	(3,100)	(7,700)	(36.71)

Change: B – A	4,000	(4,000)	(3,800)	(5,900)	-
Change: B vs. A (%)	1.0	-	-	-	-
Fiscal 2008 Results	420,971	2,948	5,511	4,330	20.78

2. Revision of Consolidated Full-year Earnings Forecasts for Fiscal 2009 (April 1, 2008 to March 31, 2009)

(Millions of yen)

	Net Sales	Operating Income (Loss)	Ordinary Income (Loss)	Net Income (Loss)	Net Income (Loss) per Share (yen)
Previous Forecasts: A (Announced December 16, 2008)	494,000	(800)	500	(1,500)	(7.20)
Revised Forecasts: B	503,000	(2,500)	(1,300)	(6,000)	(28.61)
Change: B – A	9,000	(1,700)	(1,800)	(4,500)	-
Change: B vs. A (%)	1.8	-	-	-	-
Fiscal 2008 Results	517,950	6,107	6,867	4,395	21.10

3. Reasons for Revisions to Fiscal 2009 Full-year Forecasts

Both consolidated and non-consolidated net sales for fiscal 2009 are expected to exceed the previous forecast. This reflects a better-than-expected recovery in net sales of ham, sausages, processed foods.

However, the operating loss is expected to widen, while ordinary income is also expected to turn to the red, reflecting the delay in resuming operations at the Tokyo Plant and low prices for meat. The increase in net loss is due

to the fact that, in addition to the factors already mentioned, the costs associated with product recall and suspension of operations at the Tokyo Plant were greater than originally expected, causing special losses to increase.

The differences in “Change: B - A” between the consolidated forecasts and the non-consolidated forecasts is explained by the fact that sales subsidiaries are performing relatively well compared to the parent company.

Forward-looking Statements

The above forecasts are based on judgments made in light of the information available at the time of announcement. Actual results could differ materially from forecasts due to a number of factors.

II. Revision of Dividend Forecasts

1. Revision of Dividend Forecasts for Fiscal 2009

(Yen)

	Dividend per share		
	Interim	Year-end	Full year
Previous forecast	-	5.00	5.00
Revised forecast	-	3.00	3.00
Fiscal 2009 actual	-		
Fiscal 2008 actual	-	5.00	5.00

Note: The fiscal 2008 year-end dividend comprises an ordinary dividend of ¥4.00 and a commemorative dividend of ¥1.00.

2. Reasons for Revisions

Itoham regards returning profits to shareholders as one of its most important management considerations. The Company follows a basic policy of maintaining stable dividends whilst giving consideration to such factors as current earnings and future business development plans.

However, the Company regrets to announce that it is reducing its year-end dividend forecast for fiscal 2009 from ¥5 to ¥3 per share. The downward

revision reflects the fact that, as detailed above, the Company is now forecasting a greater non-consolidated net loss than previously, while it needs to address the ongoing challenges presented by its operating environment.

III. Reduction of Corporate Officers' Remuneration

The downward revision of its earnings forecasts and reduced year-end dividend, as detailed above, are matters which Itoham takes extremely seriously. Accordingly, the Company has decided to make management's responsibility clear by reducing the remuneration of corporate officers.

The Company's auditors have also offered to voluntarily surrender some of their remuneration. Details are as follows.

1. Details of Reductions in Remuneration

Representative directors: 20% reduction in monthly salary

Directors: 10% reduction in monthly salary

Executive officers: 10% reduction in monthly salary

Auditors: 5% of monthly salary to be voluntarily surrendered

2. Duration of Reduced Remuneration

One year from April 2009