



ITOHAM FOODS INC.

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NEWS RELEASE

Itoham Announces Business Alliance with Ajinomoto

May 30, 2008 – Tokyo – Itoham Foods Inc. (Itoham; President: Chikara Kasai; Headquarters: Hyogo, Japan) and Ajinomoto Co., Inc. (Ajinomoto; President & CEO: Norio Yamaguchi; Headquarters: Tokyo, Japan) today concluded a basic agreement for a business alliance.

1. Background and Objectives of the Business Alliance

Itoham will celebrate the anniversary of its 80th founding in 2008, and Ajinomoto marks its 100th year in business in 2009.

Both companies are in the food business, and contribute to a “delicious, healthy diet” by providing customers with products that are “safe and reliable” while offering ideas for the “pleasure of eating.”

However, the supply and demand structure for natural resources, energy and food raw materials is changing significantly on a global scale. Moreover, Japan faces a falling birthrate and an aging population, and its food market is maturing. In addition, consumers are increasingly concerned about food safety and the environment. These and other factors are making the operating environment of the two companies increasingly challenging.

Recently, both companies decided to complement each other by taking advantage of their mutual business strengths as a synergistic and effective means of dealing with the issues above.

With the technologies and knowledge of the two companies complementing one another in a unified value chain spanning raw materials upstream to products downstream, each company can allocate functions and cooperate to ensure the safety and traceable reliability of raw materials, and to promote the sharing of that information with customers.

The two companies will combine Itoham’s meat and processed food technology and knowledge and Ajinomoto’s food and amino acid technology to achieve higher-quality raw material supply and lower-cost business operations. In addition, the two companies will cooperate in a broad range of areas including product development, joint sales promotions, new dietary lifestyle proposals related to customer health and dietary education, and overseas business development, as they work to achieve sustained growth and contribute to society.

2. Details of the Business Alliance

The main areas of the business alliance will include the following:

- (1) Procuring safe, reliable livestock raw materials and increasing added product value with traceability to raw materials
- (2) Advanced application of fermentation co-products to improve meat productivity and quality
- (3) Effective use of the domestic and overseas bases of the two companies
- (4) Product development with mutual use of raw materials and ingredients and joint sales promotions
- (5) Promoting cost reductions and greater efficiency in areas such as raw material and ingredient procurement and logistics.

3. Future Efforts

From June 2, 2008, both companies will launch promotion committees, which will set up special subcommittees to handle implementation. The companies will prioritize individual projects and work to produce a concrete schedule and clarify expected results.

4. Impact on Results in the Fiscal Year Ending March 2009

In its first year, the business alliance will not have a material impact on the results of either company in the fiscal year ending March 2009. Over the next four years, the two companies aim for synergies totaling approximately ¥4.0 billion as a result of this business alliance.

5. Overview of Ajinomoto Co., Inc. (As of March 31, 2008)

(1) Company name	Ajinomoto Co., Inc.
(2) Principal businesses	Manufacture and sale of seasonings, processed foods, frozen foods, edible oils, coffee beverages, chilled dairy products, amino acids, sweeteners, specialty chemicals, pharmaceuticals, medical foods, etc., and other business activities (packaging, distribution, services, etc.)
(3) Founded	May 20, 1909
(4) Head office	15-1, Kyobashi 1-chome, Chuo-ku, Tokyo
(5) Representative	Norio Yamaguchi, President and CEO
(6) Capital	79,863 million yen
(7) Net sales (consolidated)	1,216,572 million yen
(8) Ordinary income (consolidated)	55,736 million yen
(9) Fiscal year end	March 31
(10) Number of employees (consolidated)	25,893

(For reference) Overview of Itoham Foods Inc. (As of March 31, 2008)

(1) Company name	Itoham Foods Inc.
(2) Principal businesses	Manufacture and sale of processed meat products Processing and sale of meat products Manufacture and sale of processed/precooked food products
(3) Founded	April 1928
(4) Head office	4-27, Takahata-cho, Nishinomiya-shi, Hyogo
(5) Representative	Chikara Kasai, President
(6) Capital	22,415 million yen
(7) Net sales (consolidated)	517,950 million yen
(8) Ordinary income (consolidated)	6,867 million yen
(9) Fiscal year end	March 31
(10) Number of employees (consolidated)	5,276