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FOR IMMEDIATE RELEASE

JT Repurchases Own Shares

Repurchase results for the period between December 1, 2004 to December 31, 2004

Tokyo, January 7, 2005 --- Japan Tobacco Inc. (JT, TSE: 2914) announced today that it has repurchased its shares pursuant to Article 211-3, Paragraph 1, Item 2 of the Commercial Code as was decided at the Board of Directors meeting held on October 29, 2004. Details of the share repurchase are mentioned below.

Details of the shares repurchased

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| (1) Period during which shares were repurchased: | From December 1, 2004 to December 31, 2004 |
| (2) Number of shares repurchased: | 8,186 shares |
| (3) Total repurchased cost of shares: | ¥8,596,837,000 |
| (4) Method of repurchase: | Open market purchase on Tokyo Stock Exchange |

(Reference)

1. Details of the repurchase as approved by the JT Board of Directors of on October 29, 2004.

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| (1) Type of shares to be repurchased: | Shares of JT common stock |
| (2) Number of shares to be repurchased: | Up to 45,000 shares |
| (3) Total repurchase price of shares: | Up to ¥40 billion |
| (4) Period during which shares will be repurchased: | From November 1, 2004 to March 24, 2005 |

2. Cumulative number of shares repurchased during the October 29, 2004 to December 31, 2004 period as approved at the Board of Directors meeting held on October 29, 2004.

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| (1) Total number of shares repurchased: | 21,700 shares |
| (2) Total cost of repurchased shares: | ¥21,470,444,000 |

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Japan Tobacco Inc. is the world's third largest international manufacturer of tobacco products. The company manufactures internationally recognized cigarette brands including Camel, Winston, Mild Seven and Salem. Since its privatization in 1985, JT has actively diversified its operations into pharmaceuticals and foods. The company's net sales were ¥4.625 trillion in the fiscal year ended March 31, 2004.