



JAPAN TOBACCO INC.
2-1, Toranomon 2-chome, Minato-ku
Tokyo 105-8422 JAPAN
Phone:03-3582-3111

Contact: Yukiko Seto
General Manager
Media and Investor Relations Division
Japan Tobacco Inc.
Tokyo: +81-3-5572-4292

FOR IMMEDIATE RELEASE

JT Announces Plans to Close Cardiff Factory

Tokyo, September 27, 2007 --- Japan Tobacco Inc. (JT) (TSE: 2914) announced today that JT International (JTI), JT's international tobacco subsidiary, plans to close its Cardiff factory, located in Wales. This follows an extensive review of the manufacturing operations and market conditions in the United Kingdom, conducted as part of the integration plan for Gallaher, which was acquired by JT in April.

The Cardiff factory was established in 1961, and today manufactures approximately 330 million cigars annually. Based on current plans, the factory will cease operations in September 2009. The decision will affect 184 jobs across the site.

The majority of Cardiff's production will be transferred to the Lisnafillan factory in Northern Ireland, and is expected to create up to 95 new jobs in the area.

Employees of the Cardiff and Lisnafillan factories were advised of the company's plans today. Consultation with the local Works Council and other relevant bodies also began today. As per standard JTI practice, all affected employees will be offered fair and generous treatment.

The closure of the Cardiff factory, once realized, would reduce the number of JTI factories worldwide from 33 to 32.

The JT Group will continue to enhance its operational efficiency to deliver maximum corporate value.

###

Japan Tobacco Inc. is the world's third largest international manufacturer of tobacco products. The company manufactures internationally recognized cigarette brands including Winston, Camel, Mild Seven and Benson & Hedges. Since its privatization in 1985, JT has actively diversified its operations into pharmaceuticals and foods. The company's net sales were ¥4.769 trillion in the fiscal year ended March 31, 2007.