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FOR IMMEDIATE RELEASE

JT Forms Capital and Business Alliance with Fuji Foods

Tokyo, January 18, 2008 --- Japan Tobacco Inc. (JT) (TSE: 2914) announced today that the company has agreed to form a capital and business alliance with Fuji Foods Corporation (Fuji Foods). JT will acquire majority of the outstanding shares of Fuji Foods on April 1, 2008 and subsequently, Fuji Foods will be a consolidated subsidiary of JT.

Fuji Foods, which has six manufacturing facilities in Japan and overseas, invented Japan's first consommé soup cube in 1952. In addition, it developed soup powder for noodles and oyster sauce in 1958. The company is one of the leading seasoning manufacturers and achieved solid sales in commercial seasonings with its unique and strong product development capability to meet consumers' needs.

JT's seasoning business, that employs the slogan "Providing products that your loved ones want to eat," has been manufacturing and selling highly value-added seasonings including its core products "Vertex," which is derived from natural bread yeast, along with other various extracts from high quality ingredients with traceability such as kelp, bonito and pork.

This alliance allows both companies to utilize their management resources in the field of procurement of materials, manufacturing and sales of seasonings in a mutually complimentary manner and will contribute to enhance their seasoning business foundation. In addition, the companies can expect further growth through co-development of products and joint cultivation of markets. Maximizing on the synergies from the alliance, JT will position Fuji Foods as one of its core companies in the seasoning business aiming at enhancing its competitiveness as an integrated food manufacturer.



Company Information

Company Name:	Fuji Foods Corporation
Headquarters:	Mamedo-cho 94, Kohoku-ku, Yokohama, Kanagawa, Japan
Established:	August 1958
Capital:	¥37 million (as of March 31, 2007)
President:	Fumio Matsukura
Net Sales:	¥10.1 billion (for the fiscal year ended March 31, 2007)
Main Business:	Manufacturing and sales of soup, general seasonings and other foods products.

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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 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.