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FOR IMMEDIATE RELEASE

**Statement Regarding the Frozen Foods Businesses' Integration Plan
of JT, Nissin and Katokichi**

Tokyo, February 6, 2008 --- Japan Tobacco Inc. (JT) (TSE: 2914) announced today that JT, Nissin Food Products Co., Ltd. (Nissin) (TSE: 2897) and Katokichi Co., Ltd., (Katokichi) had mutually agreed that Nissin would pull out of the agreement in which the three companies planned to integrate their respective frozen foods businesses, which was announced on November 22, 2007. This decision was made given the current situation surrounding JT's frozen foods business.

JT currently holds a 93.88% stake in Katokichi through the tender offer, which commenced on November 28, 2007 and concluded on December 26, 2007. JT intends to make Katokichi a wholly-owned subsidiary at the earliest possible date, in accordance with statutory procedures.

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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.