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## **FOR IMMEDIATE RELEASE**

### **JT to Transfer Shares in Australian Chilled Processed Foods Subsidiary**

**Tokyo, August 7, 2008** --- Japan Tobacco Inc. (JT) (TSE: 2914) announced today that the company has agreed to transfer its entirety of shares in Hans Continental Smallgoods Pty. Ltd. (Hans), JT's wholly-owned chilled foods subsidiary in Australia, to a special purpose vehicle formed by Anchorage Capital Partners Pty. Ltd.

As JT announced in a press release entitled "JT Announces Realignment in Its Foods Business" dated May 1, 2008, JT decided that it would consolidate its processed foods business; including the frozen foods business of both JT and Katokichi Co., Ltd. (Katokichi), a subsidiary of JT, as well as JT's seasoning business, to operate under Katokichi. At the same time, JT moved forward with the realignment of Hans. However, after considering the product characteristics and the respective operating areas of both Hans and JT's other processed foods operations, JT concluded that there are no foreseeable synergies between both businesses. It was therefore determined that focus of the company's management resources would be on the frozen foods and seasoning businesses under Katokichi, in order to strengthen the JT Group's foods business as a whole.

The closing date of the share transfer is scheduled for September 9, 2008, following necessary intra-group financial arrangements to be undertaken pursuant to the terms of the share sale agreement. Hans and its subsidiaries, including Swickers Kingaroy Bacon Factory Pty. Ltd. and Sun Pork Foods Pty. Ltd., will then be disjoined from the JT Group.

The impact on JT's consolidated financial results relating to the transfer is expected to be minimal.



## **Corporate Profiles**

### **Hans Continental Smallgoods Pty. Ltd.**

Representative: Ryuji Takagi  
Headquarters: Queensland, AUSTRALIA  
Established: 1969  
Business area: Manufacturing and sales of ham, bacon, salami and sausage  
Capital: Approximately A\$45 million  
Sales: Approximately A\$380 million (¥37.7 billion) in the fiscal year ended March 31, 2008  
Employees: Approximately 1,000  
*\*Employees of the Hans Group: Approximately 1,400*

### **Anchorage Capital Partners Pty. Ltd.**

Representative: Phillip Cave  
Headquarters: New South Wales, AUSTRALIA  
Established: 2007  
Business area: Investment Fund Management

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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 ¥6.409 trillion in the fiscal year ended March 31, 2008.*