



Merck & Co., Inc Contacts:

Eva Boratto
Investor Relations
1-908-423-5185

Ian R. McConnell
Media
1-908-423-3046

Japan Tobacco Inc. Contacts:

Yukiko Seto, General Manager
Yuka Kin, Manager
Media and Investor Relations Division
Tokyo: +81-3-5572-4292
E-mail: jt.media.relations@ims.jti.co.jp

**MERCK & CO., INC. AND JAPAN TOBACCO INC. SIGN LICENSING AGREEMENT
FOR NOVEL OSTEOANABOLIC DRUG CANDIDATE TO TREAT OSTEOPOROSIS**

Whitehouse Station, N.J. and Tokyo, Japan, September 25, 2008 – Merck & Co., Inc. and Japan Tobacco Inc. (JT) (TSE: 2914) today announced a worldwide licensing agreement to develop and commercialize JTT-305, an investigational oral osteoanabolic (bone growth stimulating) agent for the treatment of osteoporosis, a disease which reduces bone density and strength and results in an increased risk of bone fractures.

Under the terms of the agreement, Merck gains worldwide rights, except for Japan, to develop and commercialize JTT-305. JT will receive an upfront payment and is eligible to receive additional cash payments upon achievement of certain milestones associated with the development and approval of a drug candidate covered by this agreement. JT will also be eligible to receive undisclosed royalties from sales of any drug candidates that receive marketing approval.

“Through this agreement with Merck, JT is well positioned to maximize the therapeutic potential for JTT-305 as a possible future option for patients with osteoporosis,” said Noriaki Okubo, President of JT’s Pharmaceutical Business.

JTT-305 is an investigational oral calcium sensing receptor (CaSR) antagonist that is currently being evaluated by JT in Phase II clinical trials in Japan for its effect on increasing bone density and is in Phase I clinical trials outside of Japan. Most current available osteoporosis therapies reduce fracture risk by slowing bone loss – or bone resorption. Osteoanabolic drugs, such as JTT-305, may reduce fracture risk by stimulating the growth of new bone and thereby increasing bone density.¹

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"Partnering with JT to develop this novel compound complements Merck's portfolio of musculoskeletal drug candidates," said Alan B. Ezekowitz, MBChB, D.Phil., senior vice president and franchise head, Bone, Respiratory, Immunology, and Endocrine, Merck Research Laboratories. "In the future, we believe that use of antiresorptive and osteoanabolic agents together may provide an effective way to reduce the risk of fractures in patients with osteoporosis."

The effective date of the collaboration agreement is subject to the expiration or earlier termination of the waiting period under the Hart-Scott-Rodino Antitrust Improvements Act.

About osteoporosis

Osteoporosis affects more than 75 million people in the U.S., Europe, South America and Japan. As bones become more porous and fragile, the risk of fracture is greatly increased. The most common fractures associated with osteoporosis occur at the hip, spine and wrist and the risk of having an osteoporosis-related fracture increases with age. One in three women over age 50 will experience an osteoporotic fracture, as will one in five men. According to the International Osteoporosis Foundation (IOF), the worldwide incidence of hip fracture is projected to increase by 240 percent in women and 310 percent in men by 2050.

About JT

Japan Tobacco Inc. is the world's third largest international manufacturer of tobacco products. Since its privatization in 1985, JT has actively diversified its operations into pharmaceuticals and foods. JT entered into the pharmaceutical business in 1987 and established the Central Pharmaceutical Research Institute in 1993. JT is currently engaged in the research and development of new drugs in various areas such as glucose and lipid metabolism, anti-virus, immune disorders and inflammation, and bone metabolism. The company's net sales were ¥6.409 trillion in the fiscal year ended March 31, 2008.

About Merck

Merck & Co., Inc. is a global research-driven pharmaceutical company dedicated to putting patients first. Established in 1891, Merck currently discovers, develops, manufactures and markets vaccines and medicines to address unmet medical needs. The company devotes extensive efforts to increase access to medicines through far-reaching programs that not only donate Merck medicines but help deliver them to the people who need them. Merck also publishes unbiased health information as a not-for-profit service. For more information, visit <http://www.merck.com>.

JT Forward-Looking Statement

This press release contains forward-looking statements about our industry, business, plans and objectives, financial condition and results of operations that are based on our current expectations, assumptions, estimates and projections. These statements discuss future expectations, identify strategies, discuss market trends, contain projections of results of operations or of our financial condition or state other forward-looking information. These forward-looking statements are subject to various known and unknown risks, uncertainties and other factors that could cause our actual results to differ materially from those suggested by any forward-looking statement. We assume no duty or obligation to update any forward-looking statement or to advise of any change in the assumptions and factors on which they are based.

Risks, uncertainties or other factors that could cause actual results to differ materially from those expressed in any forward-looking statement include, without limitation:

1. health concerns relating to the use of tobacco products;
2. legal or regulatory developments and changes, including, without limitation, tax increases and restrictions on the sale, marketing and usage of tobacco products, and governmental investigations and privately imposed smoking restrictions;
3. litigation in Japan and elsewhere;
4. our ability to further diversify our business beyond the tobacco industry;
5. our ability to successfully expand internationally and make investments outside of Japan;
6. competition and changing consumer preferences;
7. the impact of any acquisitions or similar transactions;
8. local and global economic conditions; and
9. fluctuations in foreign exchange rates and the costs of raw materials.

Merck Forward-Looking Statement

This press release contains "forward-looking statements" as that term is defined in the Private Securities Litigation Reform Act of 1995. These statements are based on management's current expectations and involve risks and uncertainties, which may cause results to differ materially from those set forth in the statements. The forward-looking statements may include statements regarding product development, product potential or financial performance. No forward-looking statement can be guaranteed and actual results may differ materially from those projected. Merck undertakes no obligation to publicly update any forward-looking statement, whether as a result of new information, future events, or otherwise. Forward-looking statements in this press release should be evaluated together with the many uncertainties that affect Merck's business, particularly those mentioned in the risk factors and cautionary statements in Item 1A of Merck's Form 10-K for the year ended Dec. 31, 2007, and in any risk factors or cautionary statements contained in the Company's periodic reports on Form 10-Q or current reports on Form 8-K, which the Company incorporates by reference.

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¹ OSTEOPOROSIS: Diagnosis, Prevention, and Therapy: A Practical Guide. Bartl, Reiner; Frisch, Bertha, 2004, p. 148)