



JAPAN TOBACCO INC.  
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## **FOR IMMEDIATE RELEASE**

### **JT to Dissolve Consolidated Subsidiary**

**Tokyo, October 27, 2008** --- Japan Tobacco Inc. (JT) (TSE: 2914) announced today that the company would dissolve its consolidated subsidiary Tokyo Tobacco Shoji Co., Ltd. (TTS).

TTS has been involved in the wholesale trade of smoking supplies, portable gas stoves, butane gas cartridges and groceries. After evaluating TTS' current operations and profitability, JT decided that the company was not in line with the Group's present strategic direction, and has chosen to dissolve TTS. A portion of TTS' wholesale trading businesses, related to portable gas stoves, butane gas cartridges and smoking supplies, will be transferred to the Japanese subsidiary of the Korean company Onejung Can Manufacturing Co., Ltd.

The handover is scheduled to be implemented at the end of March 2009. Liquidation of the company will be completed by the end of June 2009, following approval at TTS' general shareholders meeting, scheduled to be held at the end of March 2009.

The financial impact of this decision upon JT's consolidated accounts is expected to be minimal.

### **About Tokyo Tobacco Shoji Co., Ltd. (As of September 1, 2008)**

Location:	4-17-7 Asakusabashi, Taito-ku, Tokyo, Japan
Name of representative:	Kenji Otsuka
Established:	May 1, 1967
Capital:	50 million yen
Number of issued shares:	12,000 shares
Net assets:	44 million yen
Total assets:	1,061 million yen



End of fiscal year: March 31  
Type of business: Wholesale trade of smoking supplies, portable gas stoves, butane gas cartridges and groceries  
Number of employees: 30  
Shareholders: TS Network Co., Ltd. (A subsidiary of JT): 100%

Tokyo Tobacco Shoji Co., Ltd.: Business Results 2006 ~ 2008

(Units: Millions of Yen)

	Fiscal Year ended March 31, 2006	Fiscal Year ended March 31, 2007	Fiscal Year ended March 31, 2008
Net Sales	3,962	3,729	3,551
Operating Income	12	-97	3
Recurring Profit	2	-98	-2
Net Income	3	-210	4

**About Onejung Can Manufacturing Co., Ltd.**

Location: 41-1, 5-Ka, Yangpyung Dong, Youngdeungpo-Ku, Seoul, South Korea  
Name of representative: Sung Keun, Song  
Established: January 22, 1973  
Capital: 7.0 billion won  
Net sales: 86.8 billion won (for the fiscal year that ended December 31, 2007)  
Type of business: Manufacture and sales of portable gas stoves  
Number of employees: 260 (as of December 31, 2007)

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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.*