



JAPAN TOBACCO INC.
2-1, Toranomom 2-chome, Minato-ku
Tokyo 105-8422 JAPAN
Phone:03-3582-3111

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

FOR IMMEDIATE RELEASE

JT to Dissolve Australian Chilled Processed Foods Subsidiaries

Tokyo, November 28, 2008 --- Japan Tobacco Inc. (JT) (TSE: 2914) announced today that the company has decided to commence proceedings to dissolve the Hans Group, the company's Australian chilled processed foods subsidiaries, which include Hans Continental Smallgoods Pty. Ltd., Swicker's Kingaroy Bacon Factory Pty. Ltd., and Sun Pork Foods Pty. Ltd.

As previously announced, to strengthen JT's food business as a whole, JT has been examining a number of options for its chilled foods business in Australia. It has now decided to commence proceedings to dissolve the Hans Group as this business no longer has synergies with JT's other food operations, considering the product characteristics and the geographical locations. JT believes that it is in the best interests of the company and its stakeholders that the company's resources are focused on the frozen foods and seasoning businesses under Katokichi, JT's wholly-owned foods subsidiary in Japan.

The disposal of the Hans Group's business and/or assets will be decided upon and will take place under Australian law for "Voluntary Administration¹" proceedings, beginning today and lasting for approximately one year. The Hans Group has appointed partners of the Australian firm KordaMentha to act as the Voluntary Administrators.

The decision will be reflected in JT's financial statements in an appropriate manner following consultation with the company's external auditor. The impact on JT's consolidated financial results is expected to be minimal.

¹ The Voluntary Administrators appointed by the board of directors will exercise full control over the company and its properties and businesses, including the disposal of properties and payment of debts. The company can continue to trade and operate during the Voluntary Administration process. Due to its flexibility, the Voluntary Administration process is widely used in Australia.



The Hans Group: Consolidated Business Results 2006 ~ 2008

(Units: Millions of Australian Dollar)

	Fiscal Year ended March 31, 2006	Fiscal Year ended March 31, 2007	Fiscal Year ended March 31, 2008
Net Sales	364	396	390
Operating Income	-1	6	3
Recurring Profit	-8	-1	-4
Net Income	-9	2	-10

Corporate Profiles

Hans Continental Smallgoods Pty. Ltd.

Headquarters:	Queensland, Australia
Representative:	Ryuji Takagi
Established:	1969
Capital:	Approximately A\$45 million
Net assets:	Approximately A\$28 million
Total assets:	Approximately A\$150 million
End of fiscal year:	March 31
Type of business:	Manufacturing and sales of ham, bacon, salami and sausage
Number of employees:	Approximately 1,000
Shareholders:	Japan Tobacco Inc.: 100%

Swicker's Kingaroy Bacon Factory Pty. Ltd.

Headquarters:	Queensland, Australia
Representative:	Ryuji Takagi
Established:	1956
Capital:	Approximately A\$6 million
Net debts:	Approximately A\$2 million
Total assets:	Approximately A\$37 million
End of fiscal year:	March 31
Type of business:	Meat packing
Number of employees:	Approximately 400
Shareholders:	Hans Continental Smallgoods Pty. Ltd.: 65%



Sun Pork Foods Pty. Ltd.

Headquarters:	Queensland, Australia
Representative:	Ryuji Takagi
Established:	2003
Capital:	Approximately A\$0.07 million
Net assets:	Approximately A\$2 million
Total assets:	Approximately A\$8 million
End of fiscal year:	March 31
Type of business:	Meat retailer
Number of employees:	7
Shareholders:	Swicker's Kingaroy Bacon Factory Pty. Ltd.: 100%

[Note]

Any inquiries on the Voluntary Administration process in this matter should be directed to the Voluntary Administrators whose contact details are as follows:

Mr. Mark Mentha, Mr. Brian McMaster, and Mr. John Park

KordaMentha

22 Market Street, Brisbane, Queensland 3000, Australia

Telephone: +61-7-3225-4900

###

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.