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**FOR IMMEDIATE RELEASE**

**JT Issues Fifth Series Straight Bonds**

**Tokyo, May 28, 2009** --- Japan Tobacco Inc. (JT) (TSE: 2914) announced today that it has determined the terms of its straight bonds with general mortgage in Japan. The terms of the bonds are as follows:

**The Fifth Series Straight Bonds with General Mortgage (hereinafter “Bond”)**

1. Total amount of issue: 100 billion yen
2. Denomination of each Bond: 100 million yen
3. Interest rate: 1.128 % per annum
4. Issue price: 100 yen per face value of 100 yen
5. Redemption price: 100 yen per face value of 100 yen
6. Final redemption date: June 3, 2014 (Five years)
7. Redemption prior to maturity: The company may, at any time after the date of payment, purchase the Bonds and have such purchased Bonds canceled.
8. Interest payment dates: June 3 and December 3 of each year
9. Offering period: May 28, 2009
10. Payment date: June 3, 2009
11. Method of offering: Public offering in Japan
12. Mortgage: General mortgage
13. Underwriters: Syndicate headed by Nomura Securities Co., Ltd., Daiwa Securities SMBC Co., LTD. and Mizuho Securities Co., Ltd.
14. Place of application: Head and branch offices of underwriters in Japan
15. Book-entry transfer institution: Japan Securities Depository Center Inc.
16. Fiscal, issuing and paying agent: Mizuho Bank, Ltd.
17. Ratings: The Bonds have been given ratings of “AA ” from Rating and Investment Information, Inc.
18. Purpose of funds: Funds are to be used for bond retirement

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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 ¥6.832 trillion in the fiscal year ended March 31, 2009.*

Note: This press release is intended as general information regarding Japan Tobacco Inc.'s issuance of straight bonds with general mortgage and shall not be considered an offering of securities. This press release shall not be construed as an offering of securities in any region including the United States or Canada. The securities will not be or have not been registered under the Securities Act of 1933, as amended (the “Securities Act”) and may not be offered or sold in the United States absent registration or an applicable exemption from the registration requirements under the Securities Act.