



FOR IMMEDIATE RELEASE

Tokyo, December 3, 2010

JT Issues Sixth, Seventh and Eighth Series Straight Bonds

Japan Tobacco Inc. (JT) (TSE: 2914) announced today that it has determined the terms of its straight bonds with general mortgage(hereinafter also referred to as “Bond” or “Bonds”) in Japan. The terms of the Bonds are as follows:

The Sixth Series Straight Bonds with General Mortgage (Five Years)

1. Total amount of issue: 40 billion yen
2. Denomination of each Bond: 100 million yen
3. Interest rate: 0.533% 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: December 9, 2015 (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 9 and December 9 of each year
9. Offering period: December 3, 2010
10. Payment date: December 9, 2010
11. Method of offering: Public offering in Japan
12. Mortgage: General mortgage
13. Underwriters: Syndicate headed by Nomura Securities Co., Ltd., Mizuho Securities Co., Ltd. and Mitsubishi UFJ Morgan Stanley 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. Bond administrator: The Bank of Tokyo-Mitsubishi UFJ, 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 short-term bank loans repayment and bond(commercial paper) retirement

The Seventh Series Straight Bonds with General Mortgage (Seven Years)

1. Total amount of issue: 20 billion yen
2. Denomination of each Bond: 100 million yen
3. Interest rate: 0.841% 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: December 8, 2017 (Seven 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 9 and December 9 of each year
9. Offering period: December 3, 2010
10. Payment date: December 9, 2010
11. Method of offering: Public offering in Japan
12. Mortgage: General mortgage
13. Underwriters: Syndicate headed by Nomura Securities Co., Ltd., Mizuho Securities Co., Ltd. and Mitsubishi UFJ Morgan Stanley 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. Bond administrator: The Bank of Tokyo-Mitsubishi UFJ, 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 short-term bank loans repayment and bond(commercial paper) retirement

The Eighth Series Straight Bonds with General Mortgage (10 Years)

1. Total amount of issue: 20 billion yen
2. Denomination of each Bond: 100 million yen
3. Interest rate: 1.300% 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: December 9, 2020 (10 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 9 and December 9 of each year
9. Offering period: December 3, 2010
10. Payment date: December 9, 2010
11. Method of offering: Public offering in Japan
12. Mortgage: General mortgage
13. Underwriters: Syndicate headed by Nomura Securities Co., Ltd., Mizuho Securities Co., Ltd. and Mitsubishi UFJ Morgan Stanley 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. Bond administrator: The Bank of Tokyo-Mitsubishi UFJ, 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 short-term bank loans repayment and bond(commercial paper) retirement

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.

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Japan Tobacco Inc. is a leading international tobacco product company. Its products are sold in over 120 countries and its internationally recognized cigarette brands include Winston, Camel, Mild Seven and Benson & Hedges. With diversified operations, JT is also actively present in pharmaceuticals and foods. The company's adjusted net sales excluding tax() were JPY 1.980 trillion (US\$21,291 million(**)) in the fiscal year ended March 31, 2010.*

** Adjusted net sales excluding tax do not include revenue from the imported tobacco, domestic duty free, the China Division and other peripheral businesses in the domestic tobacco business. Nor does it include revenue from distribution, leaf tobacco, private label, contract manufacturing and other peripheral businesses in the international tobacco business.*

*** Translated at the rate of JPY 93.04 per \$1, as of March 31, 2010*