

June 18, 2009

Company Name: JAPAN TOBACCO INC.  
Representative: Hiroshi Kimura, President, Chief Executive Officer and Representative Director  
Stock Code: 2914  
(Stock Exchanges: Tokyo/Osaka/Nagoya First Section; Fukuoka and Sapporo)  
Contact: Media and Investor Relations Division  
Tel: +81-3-3582-3111

### **JT Announces Results of Tender Offer for Shares of Green Foods by Katokichi**

Japan Tobacco Inc. (JT) announced today the results of the tender offer (“Tender Offer”) for the shares of common stock of its consolidated subsidiary Green Foods Co., Ltd. (JASDAQ, Stock Code: 3367; “Green Foods” or the “Target Company”) by another consolidated subsidiary, Katokichi Co., Ltd. (“Katokichi” or the “Bidder”) which commenced on May 7, 2009 and concluded on June 17, 2009. The Tender Offer was resolved on April 27, 2009 by Katokichi’s Board of Directors. The results of the Tender Offer are as follows:

#### 1. Outline of Tender Offer

(1) Name and location of Bidder

Katokichi Co., Ltd.  
18-37, Sakamoto-cho 5-chome, Kanonji-shi, Kagawa

(2) Name of Target Company

Green Foods Co., Ltd.

(3) Class of share certificates, etc. (“Shares”) purchased

Common stock

(4) Number of Shares to be purchased in the Tender Offer

Number planned to be purchased	Minimum limit of number planned to be purchased	Maximum limit of number planned to be purchased
26,600 (shares)	6,814 (shares)	— (shares)

Notes:

1. If the total number of tendered Shares is less than the figure written in “Minimum limit of number planned to be purchased” (6,814 shares), none of the tendered Shares shall be purchased nor treated in other forms. If the total number of tendered Shares equals or exceeds the minimum limit of number planned to be purchased, the Bidder shall purchase and treat in other forms all the tendered Shares.
2. The maximum number of Shares that the Bidder will acquire through the Tender Offer will be 26,600, which is obtained by subtracting the number of shares held by the Bidder as of the day when this document is submitted (32,760) from the total number of issued shares as of December 31, 2008 (59,360), entered in the Quarterly Securities Report for the third quarter of the 24th term, submitted by the Target Company on February 16, 2009.

(5) Period of Tender Offer

Thursday, May 7, 2009 through Wednesday, June 17, 2009 (30 business days)

(6) Purchase price of Tender Offer (“Tender Offer Price”)

¥35,000 per share of common stock

2. Results of Tender Offer

(1) Status of tender

Class of Shares	Number planned to be purchased	Minimum limit of number planned to be purchased	Maximum limit of number planned to be purchased	Number of Shares tendered	Number of Shares to be purchased
Share certificates	26,600 shares	6,814 shares	–	23,170 shares	23,170 shares
Certificates of stock acquisition rights	–	–	–	–	–
Bonds certificates with stock acquisition rights	–	–	–	–	–
Trust beneficiary certificates for Shares	–	–	–	–	–
Depository receipts for Shares	–	–	–	–	–
Total	26,600 shares	6,814 shares	–	23,170 shares	23,170 shares

(2) Success or failure of Tender Offer

The Tender Offer has the condition that all tendered Shares may not be purchased if the total number tendered is lower than the minimum limit of number planned to be purchased (6,814 shares).

However, because the total number of Shares tendered in response to the Tender Offer (23,170 shares) exceeds the minimum limit of number planned to be purchased, the Bidder will purchase all tendered Shares as indicated in the Public Notice for Tender Offer and the Tender Offer Statement.

(3) Ownership percentage of Shares after the Tender Offer

Number of voting rights represented by Shares owned by the Bidder before the Tender Offer	32,760	Ownership percentage of Shares before the Tender Offer: 55.19%
Number of voting rights represented by Shares owned by parties in special relationship before the Tender Offer	4,688	Ownership percentage of Shares before the Tender Offer: 7.90%
Number of voting rights represented by Shares owned by the Bidder after the Tender Offer	55,930	Ownership percentage of Shares after the Tender Offer: 94.22%
Number of voting rights represented by Shares owned by parties in special relationship after the Tender Offer	0	Ownership percentage of Shares after the Tender Offer: 0.00%
Number of voting rights held by all shareholders, etc. of the Target Company	59,360	

Notes:

1. For the “Number of voting rights represented by Shares owned by parties in special relationship before the Tender Offer” and the “Number of voting rights represented by Shares owned by parties in special relationship after the Tender Offer,” the total number of voting rights represented by Shares owned by all parties in special relationship is indicated.
2. The “Number of voting rights held by all shareholders, etc. of the Target Company” is the number of voting rights held by all shareholders as of December 31, 2008 indicated in the Quarterly Securities Report for the third quarter of the 24th term submitted by the Target Company on February 16, 2009.
3. The “Ownership percentage of Shares before the Tender Offer” and the “Ownership percentage of Shares after the Tender Offer” were rounded off to two decimal places.

(4) Calculation for purchase pursuant to the pro rata method  
No items to report

(5) Funds required for the Tender Offer  
¥810,950,000

(6) Settlement method

- 1) Name and location of the head office of the financial instruments business operator, bank or other institution in charge of settlement for purchase, etc.  
Mizuho Securities Co., Ltd.  
5-1, Otemachi 1-chome, Chiyoda-ku, Tokyo
- 2) Commencement date of the settlement  
Wednesday, June 24, 2009
- 3) Settlement method  
A notice of purchase, etc. through the Tender Offer will be mailed without delay after the expiry of the Tender Offer period to the address of each tendering shareholder, etc. (or the standing proxy in the case of non-Japanese shareholders). Payment for the purchase will be made in cash. The proceeds from selling the purchased Shares will be paid without delay after the commencement date of settlement in accordance with the instructions of each tendering shareholder, etc. (or the standing proxy in the case of non-Japanese shareholders), either by remittance by the Tender Offer agent that accepted the tender for the Tender Offer to the bank account designated by each tendering shareholder, etc. (or the standing proxy in the case of non-Japanese shareholders), or by payment at the head office or any of the domestic branch

offices of the Tender Offer agent that accepted the tender for the Tender Offer.

3. Locations at which copies of the Tender Offer Report are available for public inspection

Katokichi Co., Ltd.	18-37, Sakamoto-cho 5-chome, Kanonji-shi, Kagawa
Jasdaq Securities Exchange, Inc.	5-8, Nihonbashi-kayabacho 1-chome, Chuo-ku, Tokyo

4. Policies after the Tender Offer and future prospects

Because the Bidder has failed to acquire all the issued shares of the Target Company by way of the Tender Offer, the Bidder plans to execute the procedures necessary to own all the shares of the Target Company (hereinafter “Turning of the Target Company into a Wholly Owned Subsidiary”) by offering the shareholders of the Target Company, excluding the Bidder, the opportunity of selling the shares thereof, as indicated in “JT Announces Katokichi’s Commencement of Tender Offer Bid for Shares of Green Foods” released on April 27, 2009.

Specifically, the Bidder plans to quickly request the Target Company to hold an extraordinary general meeting of shareholders (the “Extraordinary General Meeting of Shareholders”) to discuss the proposals, including the following three proposals: 1) amend part of the Articles of Incorporation of the Target Company to make the Target Company a company with class shares as set forth in the Companies Act (Act No. 86 of 2005, as amended); 2) amend part of the Articles of Incorporation to attach a class-wide call provision (as set forth in Article 108, paragraph (1), item (vii) of the Companies Act) to all shares of common stock issued by the Target Company; and 3) grant different-class shares of the Target Company in exchange for all the shares of the Target Company. In the implementation of such procedures, if Proposal 1) is approved at the Extraordinary General Meeting of Shareholders, the Target Company will become a company with class shares as set forth in the Companies Act. With regard to Proposal 2), pursuant to Article 111, paragraph (2), item (i) of the Companies Act, in addition to the resolution by the Extraordinary General Meeting of Shareholders, a resolution by a general meeting of class shareholders attended by the shareholders holding shares of common stock of the Target Company to be attached with a call provision (the “General Meeting of Class Shareholders”) is required. Against this backdrop, the Bidder intends to request that the Target Company hold the General Meeting of Class Shareholders on the same day as the Extraordinary General Meeting of Shareholders. The Bidder plans to approve each of the above proposals at the Extraordinary General Meeting of Shareholders and the General Meeting of Class Shareholders.

If the above proposals are approved at the Extraordinary General Meeting of Shareholders and the General Meeting of Class Shareholders of the Target Company, a class-wide call provision shall be attached to all shares of common stock issued by the Target Company, all of which shall be acquired by the Target Company, and the shareholders of the Target Company shall be delivered different-class shares issued by the Target Company in compensation for the said acquisition. If some shareholders’ number of different-class shares to be delivered by the Target Company is less than one unit, such shareholders shall receive money equivalent to what will be obtained by selling the total number of such less-than-one-unit shares (fractions of a total of such less-than-one-unit shares shall be truncated) pursuant to the procedure stipulated in laws and regulations. The calculation of the amount of money to be delivered to shareholders as a result of sale of the total of less-than-one-unit shares shall be based on the same price as the Tender Offer Price, unless special circumstances occur. However, the amount may differ from the Tender Offer Price, since there is difference in the time of calculation.

The number of shares of the Target Company to be newly granted in compensation for the acquisition of shares of common stock with a class-wide call provision of the Target Company is yet to be decided as of today. However, the Bidder plans to request the Target Company to decide that the number of shares of the Target Company that should be delivered to shareholders of the Target Company other than the Bidder would be less than one unit, so that the Turning of the Target Company into a Wholly Owned Subsidiary will be carried out. An application is not planned to be filed for the listing of different-class shares of the Target Company, which will be granted in compensation for the acquisition of shares of the Target Company.

There are provisions in the Companies Act to protect minority shareholders' rights related to the above procedures 1) through 3), according to which, (a) with regard to amendments to be made relevant to the above Proposal 2) to the Articles of Incorporation of the Target Company, the shareholders of the Target Company shall be able to request that the Target Company purchase the shares they hold pursuant to Articles 116 and 117 of the Companies Act and other relevant laws and regulations, and (b) if Proposal 3) is approved by a resolution of the general meeting of shareholders of the Target Company, the shareholders of the Target Company may file request for determination of the price for the acquisition of the shares pursuant to Article 172 of the Companies Act and other relevant laws and regulations. Because the final decision on the per-share purchase and acquisition prices for shares held by minority shareholders according to (a) or (b) shall be made by the court, the purchase price or acquisition price may differ from the Tender Offer Price. With regard to the necessary procedures shareholders should take for making the aforementioned requests or petitions, we ask that each shareholder take responsibility and use his or her own judgment.

Depending on the status of interpretation of relevant laws and regulations by the authorities and that of ownership ratio of shares, etc. of the Bidder after the Tender Offer and ownership ratio of shares of the Target Company of shareholders of the Target Company other than the Bidder, there may be some changes in the implementation methods of Turning the Target Company into a Wholly Owned Subsidiary through the above procedures 1) through 3). However, even if changes are made in the implementation methods of Turning the Target Company into a Wholly Owned Subsidiary, the Bidder plans to request the Target Company to adopt a method to finally deliver money to its shareholders other than the Bidder in accordance with procedures pursuant to applicable laws and regulations. The amount of the money in these cases is also planned to be calculated using the same criteria used in calculating the Tender Offer Price, unless special circumstances occur. However, the amount may differ from the Tender Offer Price.

Specific procedures in the above cases are yet to be decided at present. We will discuss the matter with the Target Company and release the results as soon as a decision is made.

After the Turning of the Target Company into a Wholly Owned Subsidiary, the Bidder will realize the integration of the marine products businesses of its Group, operated by its subsidiaries, as soon as preparations are completed, possibly by October 1, 2009, and strive to further strengthen the business base by carrying out drastic measures, including a review of the business system.

The shares of the Target Company are currently listed on the JASDAQ Securities Exchange, Inc. ("Jasdaq Securities Exchange"). As mentioned above, the Bidder intends to purchase all issued shares of the Target Company as per the procedures for Turning of the Target Company into a Wholly Owned Subsidiary, therefore, if this occurs, there is a possibility that the shares of the Target Company might be delisted in accordance with the delisting criteria specified in the Securities Listing Regulations of the JASDAQ Securities Exchange. Once delisted, the shares of the Target Company cannot be traded on the JASDAQ Securities Exchange.