

March 18, 2010

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 Bid for Shares of KS Frozen Foods by TableMark

Japan Tobacco Inc. (“JT”) announced today the results of the tender offer bid for the shares of common stock of its consolidated subsidiary KS Frozen Foods Co., Ltd. (Nagoya Stock Exchange Second Section, Stock Code: 2881; the “Target Company”) by another consolidated subsidiary TableMark Co., Ltd. (the “Bidder”) (this tender offer bid, the “TOB”) which commenced on February 3, 2010 and completed on March 17, 2010, as follows. The TOB was performed by the resolution of the Bidder at a meeting of its Board of Directors held on January 29, 2010, to make the Target Company a wholly owned subsidiary of the Bidder by acquiring the shares of common stock of the Target Company through a tender offer bid and other means.

1. Outline of the TOB

(1) Name and location of the Bidder

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

(2) Name of the Target Company

KS Frozen Foods Co., Ltd.

(3) Class of share certificates, etc. subject to the purchase, etc.

Common stock

(4) Number of share certificates, etc. planned to be purchased

Number planned to be purchased	Minimum limit of number planned to be purchased	Maximum limit of number planned to be purchased
757,925 (shares)	– (shares)	– (shares)

(5) Period of purchase, etc.

Wednesday, February 3, 2010 through Wednesday, March 17, 2010 (30 business days)

(6) Price of purchase, etc.

Shares of common stock ¥1,560 per share

2. Results of the TOB

(1) Success or failure of the TOB

As the Bidder did not set the maximum or minimum limit of the number of share certificates, etc. to be purchased in the TOB, it will purchase all of the tendered share certificates, etc.

- (2) Date of public announcement regarding the results of the TOB and name of newspaper where such announcement was posted

In accordance with the provisions in Article 27-13, paragraph (1) of the Financial Instruments and Exchange Act (Act No. 25 of 1948, as amended; the “Act”), the results of the TOB were publicly announced to the media on March 18, 2010 in such manner as provided for in Article 9-4 of the Order for Enforcement of the Financial Instruments and Exchange Act (Cabinet Order No. 321 of 1965, as amended) and Article 30-2 of the Cabinet Office Ordinance on Disclosure of Tender Offer for Share Certificates, etc. by Person Other Than Issuer (Ordinance of the Ministry of Finance No. 38 of 1990, as amended; the “Cabinet Office Ordinance”).

- (3) Number of share certificates, etc. related to the TOB

Class of share certificates, etc.	Number of tenders in terms of shares	Number of purchases in terms of shares
Share certificates	731,603 (shares)	731,603 (shares)
Certificates of stock acquisition rights	–	–
Bonds certificates with stock acquisition rights	–	–
Trust beneficiary certificates for share certificates, etc. ()	–	–
Depository receipts for share certificates, etc. ()	–	–
Total	731,603 (shares)	731,603 (shares)
(Total number of potential share certificates, etc.)	(–)	(–)

- (4) Ownership percentage of share certificates, etc. before and after the TOB

Number of voting rights represented by share certificates, etc. owned by the Bidder before the TOB	6,720	(Ownership percentage of share certificates, etc. before the TOB: 47.00%)
Number of voting rights represented by share certificates, etc. owned by parties in special relationship before the TOB	4,070	(Ownership percentage of share certificates, etc. before the TOB: 28.46%)
Number of voting rights represented by share certificates, etc. owned by the Bidder after the TOB	14,036	(Ownership percentage of share certificates, etc. after the TOB: 98.16%)
Number of voting rights represented by share certificates, etc. owned by parties in special relationship after the TOB	–	(Ownership percentage of share certificates, etc. after the TOB: –%)
Number of voting rights held by all shareholders, etc. of the Target Company	14,299	

Notes:

1. In the calculation to obtain the “Ownership percentage of share certificates, etc. before the TOB” and the “Ownership percentage of share certificates, etc. after the TOB,” the “Number of voting rights held by all shareholders, etc. of the Target Company” was used as the denominator.
2. The “Number of voting rights represented by share certificates, etc. owned by parties in special relationship before the TOB” indicates the total number of voting rights represented by share certificates, etc. owned by each party in special relationship; provided, however, that the number includes the voting rights represented by share certificates, etc. (20 in total) owned by parties which are to be excluded from the calculation of ownership percentage of share certificates, etc. in accordance with each item listed in Article 27-2, paragraph (1) of the Act in accordance with Article 3, paragraph (2), item (i) of the Cabinet Office Ordinance.

3. 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, 2009 indicated in the Quarterly Securities Report for the third quarter of the 38th term submitted by the Target Company on February 12, 2010.
 4. The “Ownership percentage of share certificates, etc. before the TOB” and the “Ownership percentage of share certificates, etc. after the TOB” were rounded off to two decimal places.
- (5) Calculation for purchase, etc. pursuant to the pro rata method
No items to report
- (6) Method of settlement of the TOB
- 1) Name and location of the head office of the financial instruments business operator, bank or other institution in charge of settlement of the purchase, etc.
Nomura Securities Co., Ltd.
9-1 Nihonbashi 1-chome, Chuo-ku, Tokyo
 - 2) Commencement date of settlement
Thursday, March 25, 2010
 - 3) Method of settlement
A notice of purchase, etc. through the TOB will be mailed without delay after the expiry of the TOB period to the address of each tendering shareholder, etc. (or the standing proxy in the case of non-Japanese shareholder, etc.). If shares are tendered via Nomura Joy, a notice of purchase, etc. will be delivered according to the method provided on the Nomura Joy website (<https://www.nomurajoy.jp/>).

Payment for the purchase will be made in cash. The tendering shareholder, etc. may receive proceeds for the sale through the TOB by remittance or other method indicated by the tendering shareholder, etc. (bank remittance fees may be charged).
3. Policies after the TOB and future prospects

With regard to the policies, etc. after the TOB, there are no changes from the information contained in “JT Announces TableMark’s Commencement of Tender Offer Bid for Shares of KS Frozen Foods” released on January 29, 2010.

The shares of the Target Company are currently listed on the Second Section of the Nagoya Stock Exchange, Inc. The Bidder intends to acquire all the issued shares of the Target Company (excluding treasury shares of the Target Company) pursuant to the applicable laws and regulations, therefore, if this occurs, the shares of common stock of the Target Company will likely be delisted. The future procedures will be announced from the Target Company as soon as they are decided.

4. Locations at which copies of the TOB Report are available for public inspection

TableMark Co., Ltd.	18-37 Sakamoto-cho 5-chome, Kanonji-shi, Kagawa
Nagoya Stock Exchange, Inc.	8-20 Sakae 3-chome, Naka-ku, Nagoya-shi, Aichi

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