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FOR IMMEDIATE RELEASE

**JT Reports International Tobacco Business Results for
January - September 2006**

Tokyo, October 31, 2006 -- Japan Tobacco Inc. (JT) (TSE: 2914) announced today its international tobacco business results for the nine-month period between January 1 and September 30, 2006.

JT International (JTI), JT's international tobacco business subsidiary maintained its growth momentum during the first three quarters of 2006 with a total sales volume of 178.2 billion cigarettes, a growth of 9.0 percent over the same period last year despite the transfer of JTI products in the Japan market to JT in May 2005. Global Flagship Brand (GFB)¹ sales volume increased 11.2 percent to 110.3 billion cigarettes, compared to the same period last year.

The gain in GFB sales volume was mainly driven by Camel in Italy and France; Winston in Spain, Russia, Iran, Turkey, Ukraine and Italy; and Mild Seven in Taiwan and Russia.

Net sales² including tax increased 8.2 percent to US\$6.406 billion, and net sales excluding tax were up 10.2 percent to US\$3.525 billion. In addition, net sales per thousand cigarettes, excluding tax, has now progressed from US\$19.6 in 2005 to US\$19.8 in 2006.

¹ GFB: Global Flagship Brands include Camel, Winston, Mild Seven and Salem.

² From 2006 JTI adopted US GAAP standards in relation to trade allowance and discount classification. Last year's sales figures were adjusted for comparison purposes.



International Tobacco Business results for January – September 2006

(Jul-Sep and total results are preliminary)

2006	Jan-Mar	Apr-Jun	Jul-Sep	Total
Total sales volume (billions of cigarettes)	52.1	61.6	64.5	178.2
GFB sales volume (billions of cigarettes)	32.4	37.8	40.1	110.3
Net sales, including tax (millions of US\$)	1,860	2,187	2,359	6,406
Net sales, excluding tax (millions of US\$)	1,018	1,197	1,311	3,525
Net Sales per thousand cigarettes, excluding tax (US\$)	19.5	19.4	20.3	19.8

Reference: International Tobacco Business results for January – September 2005

(Assuming that US GAAP was applied)

2005	Jan-Mar	Apr-Jun	Jul-Sep	Total
Total sales volume (billions of cigarettes)	49.0	55.6	59.0	163.5
GFB sales volume (billions of cigarettes)	30.3	34.0	34.9	99.2
Net sales, including tax (millions of US\$)	1,849	1,999	2,072	5,920
Net sales, excluding tax (millions of US\$)	988	1,079	1,133	3,200
Net Sales per thousand cigarettes, excluding tax (US\$)	20.2	19.4	19.2	19.6

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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 Camel, Winston, Mild Seven and Salem. Since its privatization in 1985, JT has actively diversified its operations into pharmaceuticals and foods. The company's net sales were ¥4.637 trillion in the fiscal year ended March 31, 2006.