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FOR IMMEDIATE RELEASE

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

Tokyo, April 28, 2006-- Japan Tobacco Inc. (JT) (TSE: 2914) announced today its international tobacco business results for the three-month period between January 1 and March 31, 2006.

In the quarter that ended March 31, 2006, JT International (JTI), JT's international tobacco business subsidiary, continued its growth momentum. Total sales volume increased 6.4 percent to 52.1 billion cigarettes, and Global Flagship Brands (GFB)¹ sales volume increased 7.0 percent to 32.4 billion cigarettes, compared to the same period of last year. The gain in GFB sales volume was mainly driven by Camel in Italy and France; Winston in Spain, Iran, Ukraine, Italy and Russia; and Mild Seven in Taiwan and Russia.

JTI brands sold in Japan and Japanese duty free markets, including Camel, Winston and Salem, were transferred to JT's domestic tobacco business in May 2005. In addition, the company changed the terms of its agreement with its distributor in Italy, thereby resulting in a one-time inventory sales adjustment. Excluding these factors, sales volume increased 9.1 percent and GFB sales volume increased 10.8 percent.

Net sales including tax decreased 1.1 percent to US\$1.860 billion, and net sales excluding tax amounted to US\$1.018 billion, approximately equivalent to the figures for the same period last year. Net sales per thousand cigarettes, excluding tax, decreased 6.1 percent to US\$19.50. The net sales decline reflects the adoption of US GAAP standards from 2006 in relation to trade allowance and discount classification, unfavorable foreign exchange fluctuations year-over-year, and the introduction of higher excise taxes in Spain.

Taking into account the US GAAP impact mentioned above, net sales including tax grew 0.6 percent, while net sales excluding tax grew 3.0 percent. Net sales per thousand cigarettes, excluding tax, decreased 3.1 percent.

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



International Tobacco Business results for January - March 2006

(2006 Jan-Mar results are preliminary)

	2006	2005		2005 reflecting adoption of US GAAP	
	Jan-Mar	Jan-Mar	Growth rate	Jan-Mar	Growth rate
Total sales volume (billions of cigarettes)	52.1	49.0	6.4%	49.0	6.4%
GFB sales volume (billions of cigarettes)	32.4	30.3	7.0%	30.3	7.0%
Net sales, including tax (millions of US\$)	1,860	1,880	-1.1%	1,849	0.6%
Net sales, excluding tax (millions of US\$)	1,018	1,019	-0.1%	988	3.0%
Net Sales per thousand cigarettes, excluding tax (US\$)	19.5	20.8	-6.1%	20.2	-3.1%

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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.