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FOR IMMEDIATE RELEASE

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

Tokyo, February 8, 2007 -- Japan Tobacco Inc. (JT) (TSE: 2914) announced today its international tobacco business results for the twelve-month period between January 1 and December 31, 2006.

In the full year that ended December 31, 2006, JT International (JTI), JT's international tobacco business subsidiary, maintained its growth momentum. Despite the transfer of JTI products in the Japan market to JT in May 2005, the total sales volume increased 9.0 percent to 240.1 billion cigarettes, and Global Flagship Brand (GFB)¹ sales volume increased 11.4 percent to 149.1 billion cigarettes, compared to the previous year.

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

Net sales² including tax increased 9.3 percent to US\$8.590 billion, and net sales excluding tax amounted to US\$4.729 billion, an increase of 11.1 percent from the previous year. Net sales per thousand cigarettes, excluding tax, rose 1.9 percent to US\$19.7 despite the impact of higher excise taxes in Spain, and the growing importance of emerging markets.

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

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



Quarterly and full fiscal year sales results³

(2006 October-December and total results are preliminary)

	2005 Results					2006 Preliminary Results				
	Jan-Mar	Apr-Jun	Jul-Sep	Oct-Dec	Total	Jan-Mar	Apr-Jun	Jul-Sep	Oct-Dec	Total
Total sales volume (billions of cigarettes)	49.0	55.6	59.0	56.8	220.3	52.1	61.6	64.5	61.9	240.1
GFB sales volume (billions of cigarettes)	30.3	34.0	34.9	34.6	133.8	32.4	37.8	40.1	38.8	149.1
Net sales, including tax (millions of US\$)	1,849	1,999	2,072	1,936	7,856	1,860	2,187	2,359	2,184	8,590
Net sales, excluding tax (millions of US\$)	988	1,079	1,133	1,057	4,257	1,018	1,197	1,311	1,204	4,729
Net sales per thousand cigarettes, excluding tax (US\$)	20.2	19.4	19.2	18.6	19.3	19.5	19.4	20.3	19.4	19.7

GFB sales results

(Units: billions of cigarettes)

	2005 Results	2006 Preliminary Results	Change
Camel	35.2	35.4	0.6%
Winston	76.4	93.9	22.9%
Mild Seven	17.5	17.5	0.2%
Salem	4.8	2.3	-51.9%

Regional sales results

(Units: billions of cigarettes)

	2005 Results	2006 Preliminary Results	Change
Europe	39.2	44.1	12.7%
Americas	9.3	8.8	-5.4%
Asia	33.5	29.1	-13.2%
CIS, Middle East Africa, etc.	138.3	158.0	14.3%

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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.

³ Beginning 2006, JTI adopted US GAAP standards in relation to trade allowance and discount classification. Last year's sales figures were adjusted for comparison purposes.