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FOR IMMEDIATE RELEASE

**JT Reports International Tobacco Business Results for
January - September 2005**

Tokyo, October 31, 2005 -- Japan Tobacco Inc. (JT) (TSE: 2914) announced today its international tobacco business results for the nine-month period between January 1 and September 30, 2005¹.

In the first nine months of the year, ending on September 30, 2005, JT's international tobacco business sustained its growth momentum, as its Global Flagship Brands (GFBs - Camel, Winston, Mild Seven and Salem), on which the company places strategic emphasis, continued to deliver growth.

Total sales volume for the first nine months increased 3.9 percent from the same period last year, to 163.5 billion cigarettes, thanks to sales volume growth in Russia, Iran, Ukraine and Taiwan. This offset tax hike induced decreases in the Philippines, Turkey and Korea. GFB sales volume increased 2.2 percent to 99.2 billion cigarettes, mainly driven by the growth of Winston in Russia, Iran, Ukraine and Italy; Camel in Italy and Russia; and Mild Seven in Taiwan.

Net sales including tax increased 10.8 percent to US\$6,014 million, and net sales excluding tax were up 12.7 percent to US\$3,299 million. In addition, net sales per thousand cigarettes, excluding tax, increased by US\$1.60 from the same period last year to US\$20.20.

International results for the quarter and the nine-month total to September 30, 2005
(after consolidation adjustment / Jul-Sep and total results are preliminary)

	Jan-Mar	Apr-Jun	Jul-Sep	Nine-Month Total
Total sales volume ² (billions of cigarettes)	49.0	55.6	59.0	163.5
GFB sales volume ² (billions of cigarettes)	30.3	34.0	34.9	99.2
Net sales, including tax ³ (millions of US\$)	1,880	2,050	2,084	6,014
Net sales, excluding tax ³ (millions of US\$)	1,019	1,130	1,150	3,299
Net sales per thousand cigarettes, excluding tax ⁴ (US\$)	20.8	20.3	19.5	20.2

¹ In JT's interim financial results, announced today, the January – June international tobacco business results are consolidated.

² Sales volume of JTI products (Camel, Winston, Salem etc.) for the Japan market and Japanese duty free from the beginning of May 2005 and on, are excluded from the table above because their sales were integrated into the domestic tobacco business, beginning May 2005.

³ These sales figures do not include sales of JTI products for the Japan market, as sales of JTI products for Japan market have been and continue to be incorporated into the domestic tobacco business.

⁴ Net sales per thousand cigarettes, excluding tax = Net sales, excluding tax / Total sales volume*1000.



(Reference)

International quarterly and full fiscal year results for the year that ended December 31, 2004

(after consolidation adjustment)

	2004 Results				
	Jan - Mar	Apr - Jun	Jul - Sep	Oct - Dec	Total
Total sales volume (billions of cigarettes)	48.1	53.4	55.9	54.9	212.4
GFB sales volume (billions of cigarettes)	30.0	32.7	34.3	34.3	131.4
Net sales, including tax (millions of US\$)	1,708	1,807	1,914	1,858	7,287
Net sales, excluding tax (millions of US\$)	914	990	1,022	1,017	3,943
Net sales per thousand cigarettes, excluding tax (US\$)	19.0	18.5	18.3	18.5	18.6

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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 ¥4.664 trillion in the fiscal year ended March 31, 2005.