



JAPAN TOBACCO INC.  
2-1, Toranomom 2-chome, Minato-ku  
Tokyo 105-8422 JAPAN  
Phone:03-3582-3111

Contact: Yukiko Seto  
General Manager  
Media and Investor Relations Division  
Japan Tobacco Inc.  
Tokyo: +81-3-5572-4292

**FOR IMMEDIATE RELEASE**

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

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

In the first half that ended June 30, 2006, JT International (JTI), JT's international tobacco business subsidiary, continued its growth momentum. Despite the transfer of JTI products in the Japan market to JT in May 2005, total sales volume increased 8.7 percent to 113.7 billion cigarettes, and Global Flagship Brand (GFB)<sup>1</sup> sales volume increased 9.1 percent to 70.2 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, Russia, Italy and Ukraine; and Mild Seven in Taiwan and Russia.

Net sales<sup>2</sup> including tax increased 5.2 percent to US\$4.047 billion, and net sales excluding tax amounted to US\$2.214 billion, an increase of 7.1 percent from the same period last year. Net sales per thousand cigarettes, excluding tax, decreased 1.5 percent to US\$19.5, reflecting the impact of higher excise taxes in Spain and the increased importance of the emerging markets.

---

<sup>1</sup> GFB: Global Flagship Brands include Camel, Winston, Mild Seven and Salem.

<sup>2</sup> 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 – June 2006

(Preliminary results)

2006	Jan-Mar	Apr-Jun	Total
Total sales volume (billions of cigarettes)	52.1	61.6	113.7
GFB sales volume (billions of cigarettes)	32.4	37.8	70.2
Net sales, including tax (millions of US\$)	1,860	2,187	4,047
Net sales, excluding tax (millions of US\$)	1,018	1,197	2,214
Net Sales per thousand cigarettes, excluding tax (US\$)	19.5	19.4	19.5

### Reference: International Tobacco Business results for January – June 2005

(Assuming that US GAAP was applied)

2005	Jan-Mar	Apr-Jun	Total
Total sales volume (billions of cigarettes)	49.0	55.6	104.6
GFB sales volume (billions of cigarettes)	30.3	34.0	64.4
Net sales, including tax (millions of US\$)	1,849	1,999	3,848
Net sales, excluding tax (millions of US\$)	988	1,079	2,067
Net Sales per thousand cigarettes, excluding tax (US\$)	20.2	19.4	19.8

###

*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.*