



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 - September 2007**

**Tokyo, October 31, 2007** – Japan Tobacco Inc. (JT) (TSE: 2914) announced today its international tobacco business results for the nine-month period between January 1 and September 30, 2007.

In the nine-month period that ended September 30, 2007, JT International (JTI), JT's international tobacco business operation, increased its sales volume by 53.8 percent to 274.0 billion cigarettes compared to the same period last year. These results include the Gallaher business which was acquired on April 18, 2007.

JTI's Global Flagship Brands (GFB) include eight brands: Winston, Camel, Mild Seven, Benson & Hedges, Silk Cut, LD, Sobranie, and Glamour. Total GFB sales volume from January to September, 2007 amounted to 145.9 billion units.

This increase was driven by Winston in Russia, Ukraine, Spain and Turkey; Camel in Spain, France, Italy and Russia. GFB performance also reflects the additional contribution of Benson & Hedges and Silk Cut in the U.K. and Ireland; LD, Sobranie and Glamour in Russia, Ukraine and Kazakhstan.

Net sales including tax increased 115.7 percent to US\$13.816 billion, and net sales excluding tax amounted to US\$5.743 billion, an increase of 62.9 percent from the previous year. Net sales per thousand cigarettes, excluding tax, rose 6.0 percent to US\$21.0.



## International Tobacco Business Results for January – September 2007

(2007 July-Sep results are preliminary)

	2006				2007			
	Jan-Mar	Apr-Jun	Jul-Sep	Total	Jan-Mar	Apr-Jun	Jul-Sep	Total
Total sales volume (billions of cigarettes)	52.1	61.6	64.5	178.2	57.7	101.6	114.6	274.0
GFB sales volume (billions of cigarettes)	31.6	36.7	39.0	107.4	35.5	52.8	57.6	145.9
Net sales, including tax (millions of US\$)	1,860	2,187	2,359	6,406	2,282	5,424	6,111	13,816
Net sales, excluding tax (millions of US\$)	1,018	1,197	1,311	3,525	1,258	2,097	2,388	5,743
Net sales per thousand cigarettes, excluding tax (US\$)	19.5	19.4	20.3	19.8	21.8	20.6	20.8	21.0

Note:

1. Gallaher results are incorporated from April 18, 2007 onward.
2. All net sales information excludes the distribution businesses acquired as part of the Gallaher transaction.
3. In the above table, GFB sales volumes are based on the new GFB definition. Accordingly, GFB sales volumes during the pre-acquisition period include Winston, Camel and Mild Seven only.

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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 Winston, Camel, Mild Seven and Benson & Hedges. Since its privatization in 1985, JT has actively diversified its operations into pharmaceuticals and foods. The company's net sales were ¥4.769 trillion in the fiscal year ended March 31, 2007.*