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FOR IMMEDIATE RELEASE

JT Reports International Tobacco Business Results for January – September 2008

Tokyo, October 30, 2008 -- Japan Tobacco Inc. (JT) (TSE: 2914) today announced its international tobacco business results for the nine-month period between January 1, 2008 and September 30, 2008.

(1) International Tobacco Business' Top-Line Performance

In the first nine months ending September 30, 2008, Japan Tobacco International (JTI), JT's international tobacco business operations, increased its sales volume by 25.2 percent to 342.9 billion cigarettes compared to the same period last year. Gallaher results have been incorporated from April 18, 2007 onward.

Global Flagship Brands (GFB¹)

GFB sales volume increased 27.1 percent to 185.5 billion cigarettes compared to the same period last year.

Total sales volume for Winston grew by 17.9 percent due to robust sales in Russia, Ukraine, Turkey, Spain, the Near East, France and Italy.

Total sales volume for Camel rose 10.2 percent, supported by strong sales in Italy, Russia and Spain; and total sales volume for Mild Seven increased 12.4 percent during the period with gains in Korea, Taiwan and Russia.

GFB performance also reflected the additional contribution of Benson & Hedges and Silk Cut in the United Kingdom and Ireland; and LD, Sobranie, and Glamour in Russia, Ukraine and Kazakhstan.

Net Sales Excluding Tax

Net sales excluding tax amounted to US\$8.198 billion, an increase of 44.1 percent from the previous year. Net sales per thousand cigarettes, excluding tax, rose 15.2 percent to US\$23.9.

¹ Global Flagship Brands include eight brands: Winston, Camel, Mild Seven, Benson & Hedges, Silk Cut, LD, Sobranie and Glamour.



International Tobacco Business Results for January – September 2008

(July-September 2008 results are preliminary)

	2007				2008			
	Jan-Mar	Apr-Jun	Jul-Sep	Total	Jan-Mar	Apr-Jun	Jul-Sep	Total
Total sales volume (billions of cigarettes)	57.7	101.6	114.6	274.0	103.9	117.2	121.8	342.9
GFB sales volume (billions of cigarettes)	35.5	52.8	57.6	145.9	55.6	63.5	66.3	185.5
Net sales, including tax (millions of US\$)	2,282	5,424	6,108	13,814	6,341	6,989	7,425	20,755
Net sales, excluding tax (millions of US\$)	1,258	2,097	2,333	5,688	2,471	2,728	2,999	8,198
Net sales per thousand cigarettes, excluding tax (US\$)	21.8	20.6	20.4	20.8	23.8	23.3	24.6	23.9

Note:

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



(2) Like-for-Like Performance²

The following is like-for-like comparative data on our international tobacco business for guidance purposes only.

Total sales volume increased by 7.6 percent and GFB sales volume increased by 16.4 percent compared to the same period of last year.

In South and West Europe JTI reported an increase in total sales volume of 9.2 percent due to growth momentum mainly in Spain, France, Italy and Greece thanks to the strong growth of Winston in those markets. Camel also showed continued momentum in Italy and Spain.

In North and Central Europe, total sales volume decreased by 1.8 percent mainly as a result of overall market declines in Ireland and Austria. This was partially offset by the UK with improved performance of Mayfair in the mid-price segment, and Sweden thanks to strong growth of Camel.

Total sales volume in the CIS increased 5.7 percent with growth mainly in Russia and Romania. Winston drove this growth in most markets, with positive contributions from LD and Glamour in Russia. This was partially offset by reduced sales in Ukraine due to implementation of a revised sales policy in this market.

In the Rest of the World, total sales volume increased 15.4 percent. Total sales volume significantly increased with growth mainly in Turkey, Taiwan, the Near East and Korea. Winston, Mild Seven and LD were responsible for driving growth within the region.

Net sales excluding tax increased by 21.7 percent. Net sales per thousand cigarettes, excluding tax, rose 13.1 percent compared to the same period last year.

As JTI operates in more than 120 markets, fluctuations in exchange rates between the U.S. dollar and local currencies are reflected into sales figures in each term. With the effects of currency fluctuations removed, like-for-like net sales excluding tax increased by 14.0 percent, while net sales per thousand cigarettes, excluding tax, rose 6.1 percent, compared to the same period last year.

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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 ¥6.409 trillion in the fiscal year ended March 31, 2008.

² The like-for-like comparison discussed in this press release is based on a theoretical assumption that incorporates results for the Gallaher business from January 1, 2007 to April 17, 2007, despite Gallaher's having become a consolidated JT subsidiary as of April 18, 2007.

JT divides international markets in which it operates into four distinct regions: South and West Europe, North and Central Europe, CIS, and the Rest of the World. Please note that the four regions are specifically designed to provide you with insights into our business for guidance purposes only and do not reflect JTI's management structure.