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FOR IMMEDIATE RELEASE

JT Reports International Tobacco Business Results for January – March 2008

Tokyo, May 1, 2008 -- Japan Tobacco Inc. (JT) (TSE: 2914) today announced its international tobacco business results for the three-month period between January 1 and March 31, 2008.

In the quarter that ended March 31, 2008, JT International (JTI), JT's international tobacco business subsidiary, significantly increased its growth momentum. Combined with the Gallaher business, which was acquired on April 18, 2007, JTI's total sales volume increased 79.9 percent to 103.9 billion cigarettes compared to the same period last year.

Global Flagship Brand[1] (GFB) sales volume increased 56.6 percent to 55.6 billion cigarettes compared to the same period last year. This increase was driven by Winston with strong performances in Russia, Ukraine, the Philippines, Spain, Turkey and Italy; Camel with major gains in Italy, Spain and Russia; Mild Seven with solid results in Korea, Taiwan and Russia. GFB performance also reflects the additional contribution of B&H and Silk Cut in the U.K. and Ireland; LD, Sobranie and Glamour in Russia, Ukraine and Kazakhstan.

Net sales including tax increased 176.8 percent to US$6.317 billion, and net sales excluding tax amounted to US$2.452 billion, an increase of 94.9 percent from the previous year. Net sales per thousand cigarettes, excluding tax, rose 8.4 percent to US$23.6.

[1] GFB includes eight brands: Winston, Camel, Mild Seven, Benson & Hedges, Silk Cut, LD, Sobranie and Glamour.

Quarterly sales results

(January-March results for 2008 are preliminary)

	2007 Results	2008 Preliminary Results
	Jan-Mar	Jan-Mar
Total sales volume (billions of cigarettes)	57.7	103.9
GFB sales volume (billions of cigarettes)	35.5	55.6
Net sales, including tax (millions of US$)	2,282	6,317
Net sales, excluding tax (millions of US$)	1,258	2,452
Net sales per thousand cigarettes, excluding tax (US$)	21.8	23.6

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 current GFB definition. Accordingly, GFB sales volumes in the period from January 1 to April 17, 2007 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 ¥6.409 trillion in the fiscal year ended March 31, 2008.