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FOR IMMEDIATE RELEASE

JT Reports International Tobacco Business Results for January – December 2008

Tokyo, February 9, 2009 -- Japan Tobacco Inc. (JT) (TSE: 2914) today announced its international tobacco business results for the twelve-month period between January 1, 2008 and December 31, 2008.

(1) International Tobacco Business' Top-Line Performance

In the full year ended December 31, 2008, Japan Tobacco International (JTI), JT's international tobacco business operations, increased its sales volume by 17.3 percent to 452.3 billion cigarettes compared to the previous year. Gallaher results have been incorporated as of April 18, 2007.

Global Flagship Brands (GFB¹)

GFB sales volume increased 20.8 percent to 245.5 billion cigarettes compared to the previous year.

Total sales volume for Winston grew by 13.8 percent due to robust sales mainly in Russia, Turkey, Ukraine, Spain, France, Italy and the Near East.

Total sales volume for Camel rose 10.3 percent, supported by strong sales in Italy, Russia and Spain; and total sales volume for Mild Seven increased 11.4 percent during the period with gains in Korea, Taiwan, Russia and Malaysia.

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, Kazakhstan and Ukraine.

Net Sales Excluding Tax²

Net sales excluding tax amounted to US\$10.652billion, an increase of 32.7 percent from the previous year. Net sales per thousand cigarettes, excluding tax, rose to US\$23.6, up 13.1 percent.

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

² All net sales information excludes revenues from distribution business.



Full year results for 2007 and 2008

(Total results for 2008 are preliminary)

	2007	2008	Change
Total sales volume (billions of cigarettes)	385.6	452.3	17.3 %
GFB sales volume (billions of cigarettes)	203.2	245.5	20.8 %
Net sales, including tax (millions of US\$)	20,204	26,942	33.3 %
Net sales, excluding tax (millions of US\$)	8,027	10,652	32.7 %
Net sales per thousand cigarettes, excluding tax (US\$)	20.8	23.6	13.1 %
EBITDA (before royalty payment to JT) (millions of US\$)	2,452	3,452	40.8%

Note:

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

Quarterly results for 2007 and 2008

(October-December and total results for 2008 are preliminary)

	2007					2008				
	Jan-Mar	Apr-Jun	Jul-Sep	Oct-Dec	Total	Jan-Mar	Apr-Jun	Jul-Sep	Oct-Dec	Total
Total sales volume (billions of cigarettes)	57.7	101.6	114.6	111.6	385.6	103.9	117.2	121.8	109.3	452.3
GFB sales volume (billions of cigarettes)	35.5	52.8	57.6	57.3	203.2	55.6	63.5	66.3	60.0	245.5
Net sales, including tax (millions of US\$)	2,282	5,424	6,108	6,390	20,204	6,341	6,989	7,425	6,187	26,942
Net sales, excluding tax (millions of US\$)	1,258	2,097	2,333	2,339	8,027	2,471	2,728	2,999	2,455	10,652
Net sales per thousand cigarettes, excluding tax (US\$)	21.8	20.6	20.4	21.0	20.8	23.8	23.3	24.6	22.5	23.6

Note:

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



(2) Like-for-Like Performance³

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

Total sales volume increased by 5.1 percent and GFB sales volume increased by 13.3 percent compared to the previous year.

Net sales excluding tax increased by 17.4 percent. Net sales per thousand cigarettes, excluding tax, rose 11.6 percent compared to the previous year. During 2008, net sales excluding tax benefited from fluctuations in exchange rates between the U.S. dollar, JTI's reported currency, and local currencies. Excluding these favourable exchange gains, Net sales excluding tax increased by 14.2% and net sales per thousand cigarettes excluding tax, rose 8.6%, compared to the previous year.

In South and West Europe JTI reported an increase in total sales volume of 7.3 percent with growth momentum mainly in Spain, Italy, France and Greece, driven by the strong performance of Winston in those markets. Camel also showed continued momentum in Italy and Spain.

In North and Central Europe, total sales volume decreased by 2.1 percent mainly as a result of overall market declines in Austria and Ireland as well as declining Private Label volumes, mainly in Germany.

Total sales volume in the CIS increased 3.2 percent. Winston drove this growth in most markets, with positive contributions from LD, Glamour and Camel in Russia. This was partially offset by reduced sales in Ukraine following implementation of a revised sales policy, and the optimization of inventory levels in Russia.

In the Rest of the World, total sales volume increased 11.3 percent. Total sales volume significantly increased with growth mainly in Turkey, the Near East, Taiwan and Korea. Winston, Mild Seven and LD were responsible for driving growth within the region.

³ 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.

All net sales information excludes revenues from distribution business.

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



Like-for-Like Performance

Full year results for 2007 and 2008

(Total results for 2008 are preliminary)

	2007	2008	Change
Total sales volume (billions of cigarettes)	430.2	452.3	5.1 %
GFB sales volume (billions of cigarettes)	216.6	245.5	13.3 %
Net sales, excluding tax (millions of US\$)	9,076	10,652	17.4 %
Net sales per thousand cigarettes, excluding tax (US\$)	21.1	23.6	11.6 %
EBITDA (before royalty payment to JT) (millions of US\$)	2,830	3,452	22.0%

Note:

1. All net sales information excludes revenues from distribution businesses.

Quarterly results for 2007 and 2008

(October-December and total results for 2008 are preliminary)

	2007					2008				
	Jan-Mar	Apr-Jun	Jul-Sep	Oct-Dec	Total	Jan-Mar	Apr-Jun	Jul-Sep	Oct-Dec	Total
Total sales volume (billions of cigarettes)	95.0	109.0	114.6	111.6	430.2	103.9	117.2	121.8	109.3	452.3
GFB sales volume (billions of cigarettes)	46.7	55.1	57.6	57.3	216.6	55.6	63.5	66.3	60.0	245.5
Net sales, excluding tax (millions of US\$)	2,064	2,340	2,333	2,339	9,076	2,471	2,728	2,999	2,455	10,652
Net sales per thousand cigarettes, excluding tax (US\$)	21.7	21.5	20.4	21.0	21.1	23.8	23.3	24.6	22.5	23.6

Note:

1. All net sales information excludes the distribution businesses.

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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.