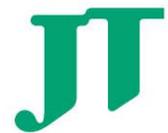


Overview of Consolidated Financial Results for FY3/2013 and Full-term Forecasts for FY3/2014

CFO and Executive Vice President
Naohiro Minami

*Please be reminded that the figures shown on these slides may differ from those shown in the financial statements as they are intended to facilitate the understanding of individual businesses.

*For details of each indicator, please refer to annotations on slide 30.



Caution concerning Forward-Looking Statements

FORWARD-LOOKING STATEMENTS

This presentation contains forward-looking statements. These statements appear in a number of places in this presentation and include statements regarding the intent, belief, or current and future expectations of our management with respect to our business, financial condition and results of operations. In some cases, you can identify forward-looking statements by terms such as "may", "will", "should", "would", "expect", "intend", "project", "plan", "aim", "seek", "target", "anticipate", "believe", "estimate", "predict", "potential" or the negative of these terms or other similar terminology. These statements are not guarantees of future performance and are subject to various risks and uncertainties. Actual results, performance or achievements, or those of the industries in which we operate, may differ materially from any future results, performance or achievements expressed or implied by these forward-looking statements. In addition, these forward-looking statements are necessarily dependent upon assumptions, estimates and data that may be incorrect or imprecise and involve known and unknown risks and uncertainties. Forward-looking statements regarding operating results are particularly subject to a variety of assumptions, some or all of which may not be realized.

Risks, uncertainties or other factors that could cause actual results to differ materially from those expressed in any forward-looking statement include, without limitation:

- (1) decrease in demand for tobacco products in key markets;
- (2) restrictions on promoting, marketing, packaging, labeling and usage of tobacco products in markets in which we operate;
- (3) increases in excise, consumption or other taxes on tobacco products in markets in which we operate;
- (4) litigation around the world alleging adverse health and financial effects resulting from, or relating to, tobacco products ;
- (5) our ability to realize anticipated results of our acquisition or other similar investments;
- (6) competition in markets in which we operate or into which we seek to expand;
- (7) deterioration in economic conditions in areas that matter to us;
- (8) economic, regulatory and political changes, such as nationalization, terrorism, wars and civil unrest, in countries in which we operate;
- (9) fluctuations in foreign exchange rates and the costs of raw materials; and
- (10) catastrophes, including natural disasters.



Consolidated results and forecast

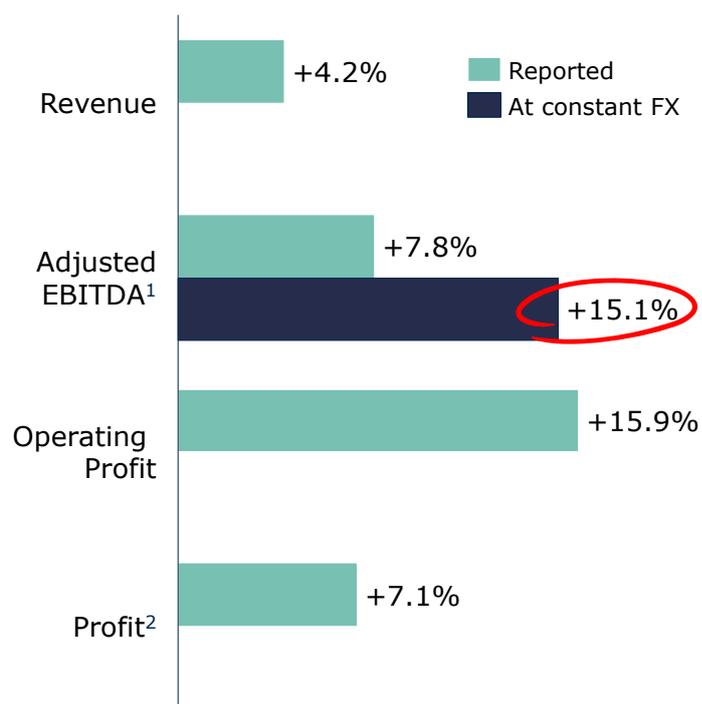


Consolidated financial results for FY3/13: Strong results driven by top-line growth in tobacco business

Key driver:

- Top-line growth in tobacco business
 - International:
 - Strong Pricing
 - Shipment volume growth
 - Japanese domestic:
 - Steady recovery of market share
 - Increase in sales volume

Growth Rate of Key Figures
FY3/2012 vs FY3/2013



Consolidated financial forecast for FY3/14:
Strong business momentum to continue, record high profits projected

<i>(JPY BN, %)</i>	<u>FY3/2013</u>	<u>FY3/2014</u>	<u>Change</u>
Revenue	2,120.2	2,368.0	+11.7%
Adjusted EBITDA ¹	622.1	730.0	+17.3%
Operating Profit	532.4	616.0	+15.7%
Profit ²	343.6	415.0	+20.8%
FCF	316.0	280.0	-11.4%
<u>At Constant FX</u>			
Adjusted EBITDA ¹	622.1	660.0	+6.1%

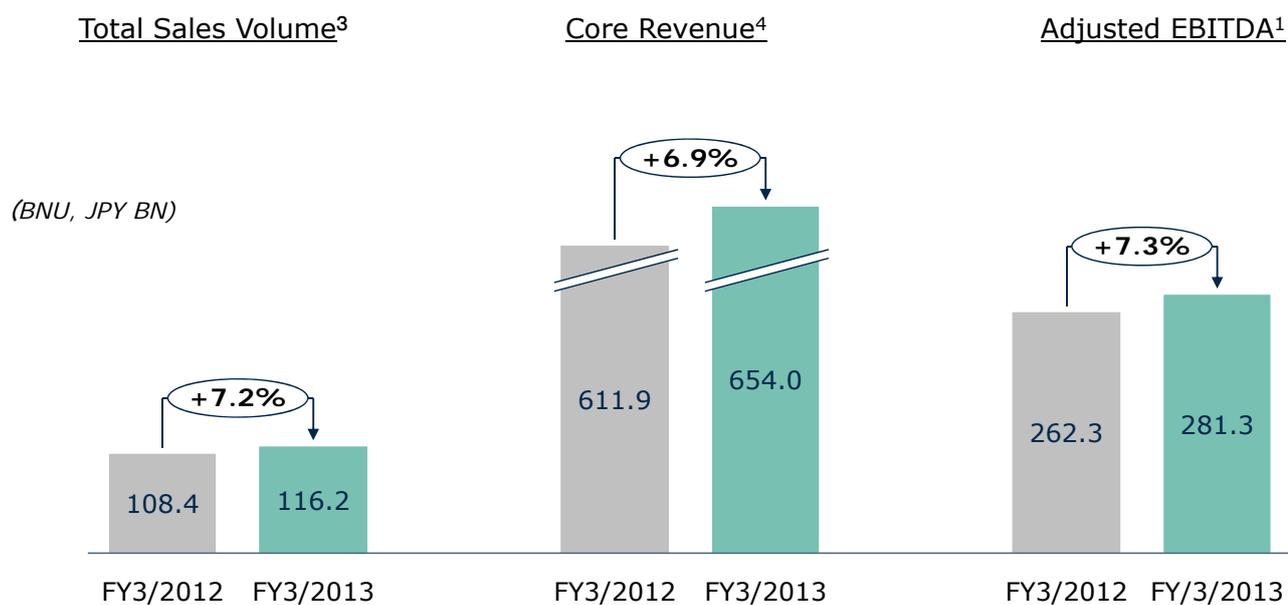
5



Tobacco business



Japanese Domestic Tobacco Business(Results):
 Revenue and profit growth from sales volume increase as market share recovered

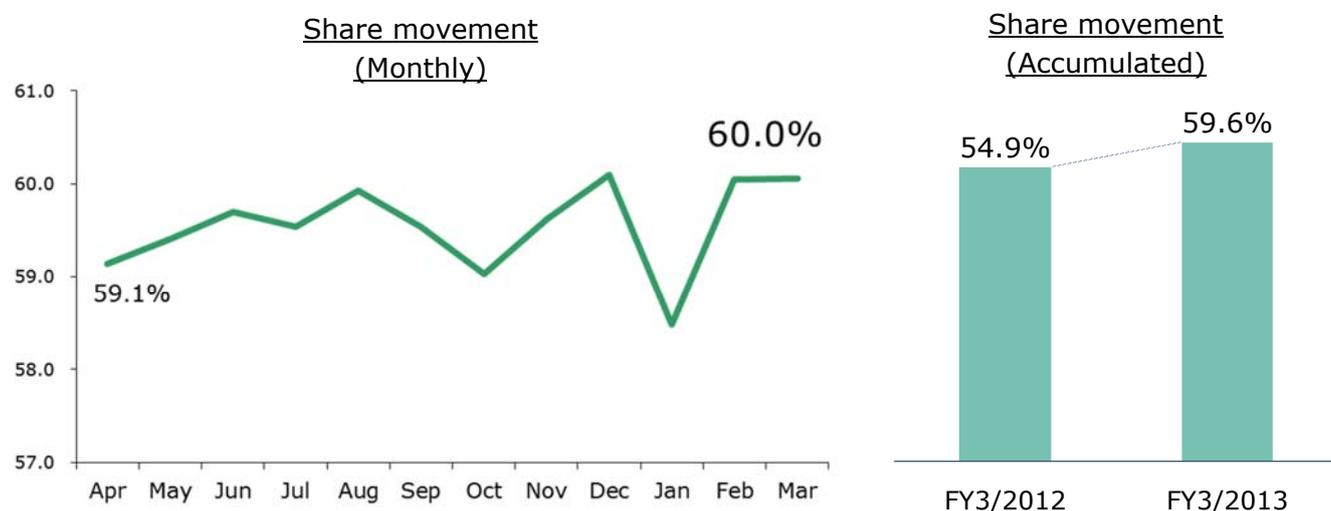


7



Japanese Domestic Tobacco Business(Results):
 Steady recovery of market share through brand equity enhancement

- 60% market share achieved for the month of February and March
- Share of market recovered by +4.7ppt year-on-year
 - ✓ FY3/2012 : 54.9% ⇒ FY3/2013 : 59.6%



Source: TIOJ, JT Estimate

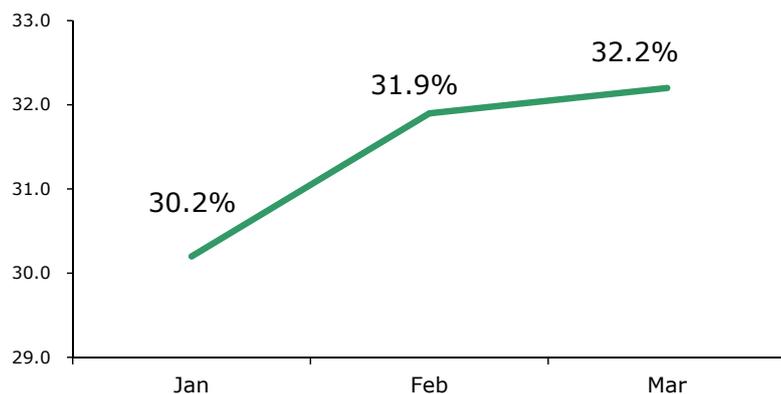
8



Japanese Domestic Tobacco Business(Results): Transition to MEVIUS completed smoothly

- Market share of MEVIUS family increased every month
- High trial rate achieved
 - ✓ About 30% of non-MILD SEVEN consumers responded that they have tried MEVIUS after the name change (JT's own survey)

MEVIUS Monthly share movement



Source: TIOJ, JT estimate

THIS SLIDE HAS BEEN DEVELOPED TO EXPLAIN JT'S PERFORMANCE TO OUR INVESTORS.
IT IS NOT INTENDED TO PROMOTE THE PURCHASE OF OUR PRODUCTS OR INDUCE SMOKING

9



International tobacco business (Results): Strong results driven by top-line growth

(BNU, MM\$, %)	<u>2011</u>	<u>2012</u>	<u>Change</u>
<u>Shipment Volume</u>			
Total ⁵	425.7	436.5	+2.5%
GFB	256.5	268.8	+4.8%
<u>At Constant Currency⁷</u>			
Core Revenue ⁶	11,211	12,623	+12.6%*
Adjusted EBITDA ¹	3,944	4,830	+22.5%**
<u>Reported</u>			
Core Revenue ⁶	11,211	11,817	+5.4%
Adjusted EBITDA ¹	3,944	4,302	+9.1%
<u>Yen basis (JPN BN)</u>			
Core Revenue ⁶	894.6	943.1	+5.4%
Adjusted EBITDA ¹	314.8	343.3	+9.1%

*12.6% includes approximately 2ppt of pricing taken to mitigate the effect of a currency with substantial devaluation

**22.5% includes approximately 6ppt of pricing taken to mitigate the effect of a currency with substantial devaluation

10



5

Tobacco business:
Mid- to long-term target and role

Mid- to long-term target and role

- Grow adjusted EBITDA at mid to high single-digit rate per annum over the mid- to long-term as the core business and profit and growth engine of the JT Group
 - ✓ Japanese domestic: highly competitive platform of profitability
 - ✓ International: strengthen its role as the Group's profit growth engine

- Priority on quality top-line growth
 - ✓ Continue to strengthen our brand equity, with focus on our core brands
 - ✓ Grow or maintain market share in existing key markets
 - ✓ Broaden the geographical base
 - ✓ Develop emerging product categories
- Continuous cost improvement



Japanese Domestic Tobacco Business(Forecast):
Strive for further brand equity enhancement with focus on MEVIUS

- Industry contraction will be more than off-set by share recovery and temporary demand increase ahead of consumption tax hike - total sales volume projected to grow 2.4%
 - ✓ Total industry contraction: -2% ~ -3%
 - ✓ Temporary demand prior to consumption tax hike (April 14) : 0.3~0.5 month



(BNU, JPY BN, %)	<u>FY3/2013</u>	<u>FY3/2014</u>	<u>Change</u>	<u>% Change</u>
Total Sales Volume ³	116.2	119.0	+2.8	+2.4%
Core Revenue ⁴	654.0	669.0	+15.0	+2.3%
Adjusted EBITDA ¹	281.3	291.0	+9.7	+3.4%

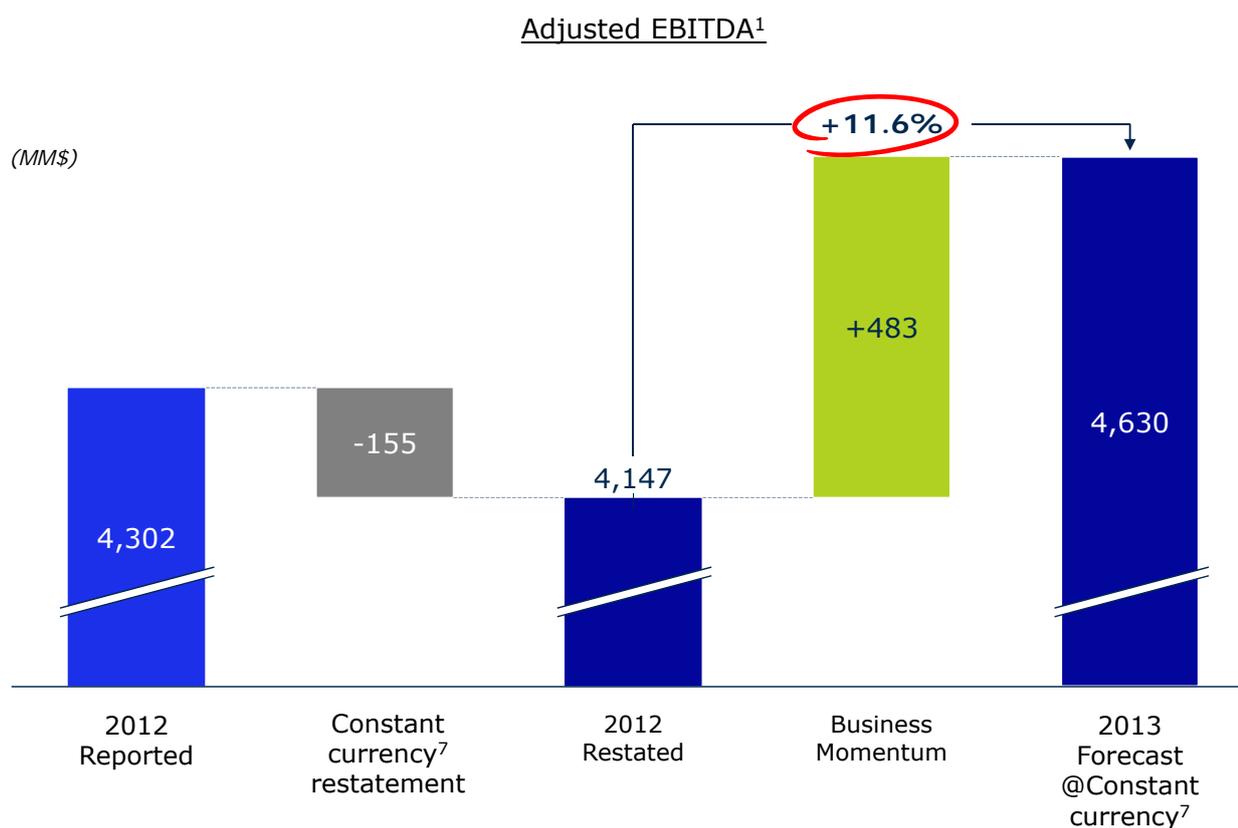


International tobacco business(Forecast):
Double-digit adjusted EBITDA growth at constant currency

(BNU,MM\$,%)	2012	2013	Change
<u>Shipment Volume</u>			
Total ⁵	4,365	4,320	-1.0%
GFB	2,688	2,730	+1.6%
<u>At Constant Currency⁷</u>			
Core Revenue ⁶	11,655	12,550	+7.7%
Adjusted EBITDA ¹	4,147	4,630	+11.6%
<u>Reported</u>			
Core Revenue ⁶	11,817	12,450	+5.4%
Adjusted EBITDA ¹	4,302	4,630	+7.6%
<u>Yen basis (JPY BN)</u>			
Core Revenue ⁶	943.1	1,182.0	+25.3%
Adjusted EBITDA ¹	343.3	440.0	+28.2%

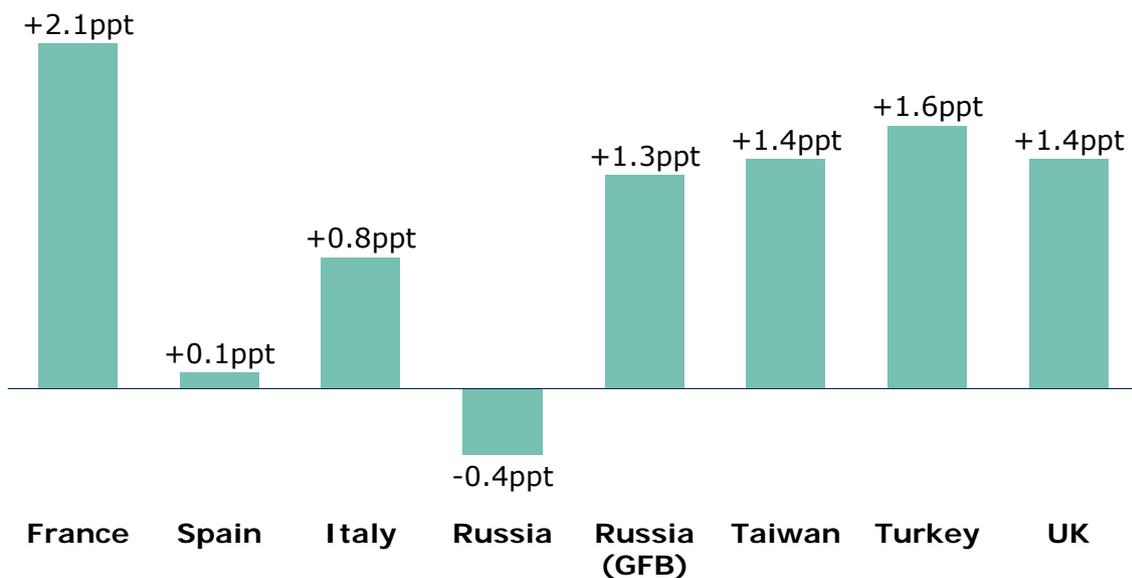


International tobacco business(Forecast):
GFB growth and pricing are the main growth drivers



International tobacco business (Jan-Mar results):
Market share growth in most key markets

Share of Market variance*

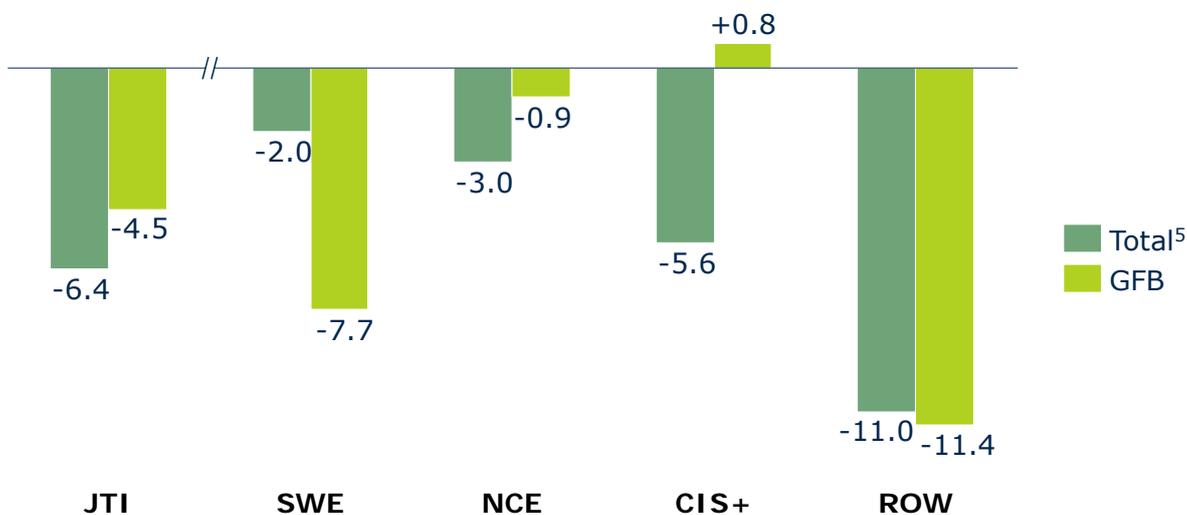


*Share variance vs previous year (March 2012)
*12M Moving Avg.
Source: Nielsen, Logista, Altadis



International tobacco business (Jan-Mar results):
Industry contraction and specific inventory adjustments impact shipment volume

Shipment volume variance (%)

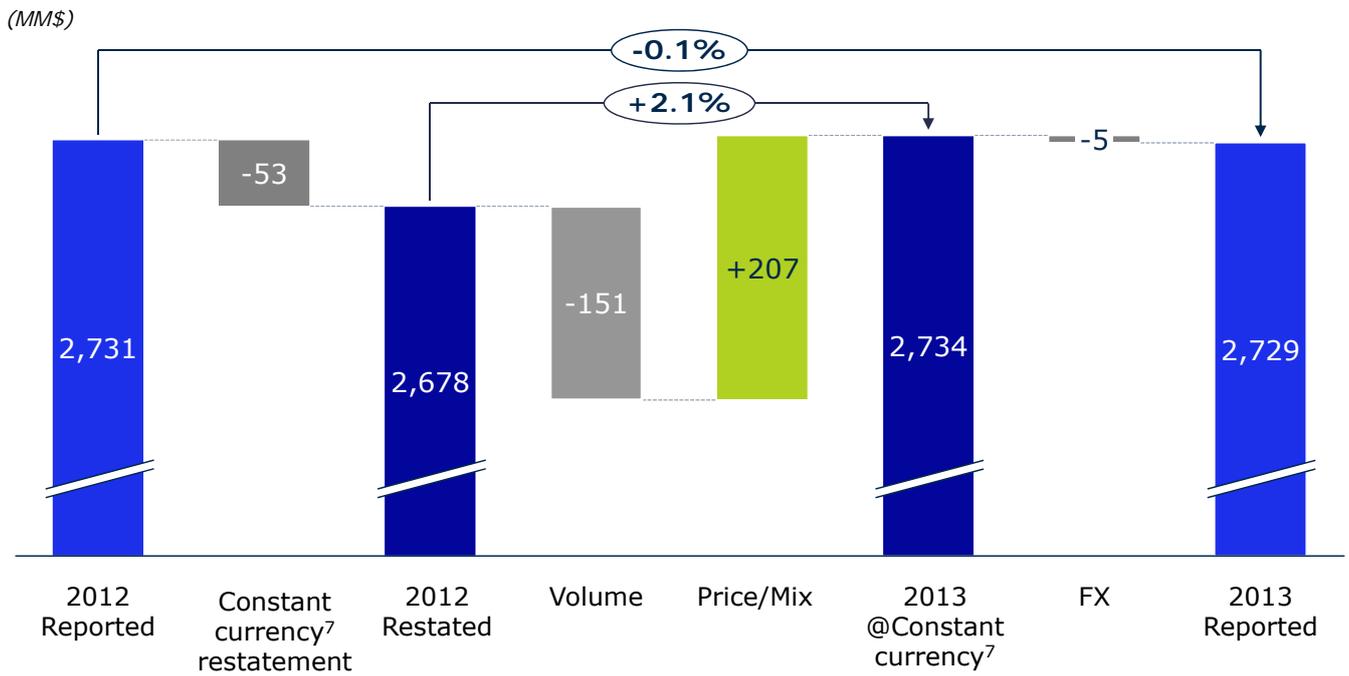


Volume variance vs previous year (Jan-March 2012)



International tobacco business(Jan-Mar results):
Core revenue increased 2.1% driven by pricing

Core Revenue⁶



Pharmaceutical business



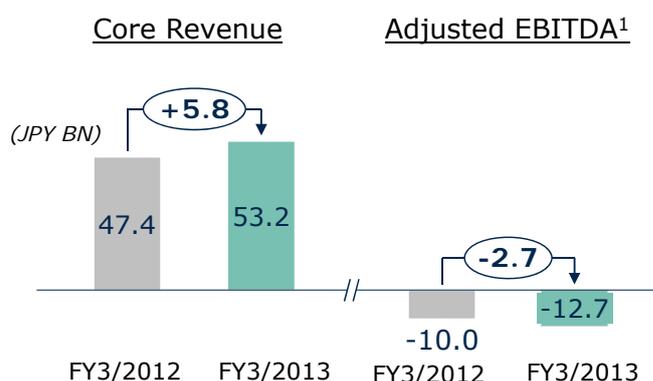
Pharmaceutical Business(Results): Steady progress in establishing profit base

Revenue

- Increase in sales of REMITCH CAPSULES and Truvada by Torii Pharmaceutical Co., Ltd
- Increase in milestone revenue at JT

Adjusted EBITDA

- Increase in R&D expenses from progress in compound development



Status of late phase clinical trials

- "Stribild® Combination Tablets" (HIV Infection) containing JT's first original drug (JTK-303), approved and launched
 - ✓ BY licensee: launched in the US, filed for approval in EU
JTK-303 as mono-agent, also filed for approval in the US and EU
 - ✓ By JT: approved in Japan (launch 14th May)
- MEK Inhibitor (melanoma): licensee has filed for approval
- In Japan: 2 compounds filed for approval
 - ✓ JTT-751 (Hyperphosphatemia)
 - ✓ TO-194SL (Cedar Pollinosis) by Torii Pharmaceutical Co., Ltd



Pharmaceutical Business(Forecast): Performance expected to improve from stronger profit platform

Mid- to long-term target and role

- Strive to establish stronger profit platform through rapid and efficient market launch of compounds in late phases of clinical trials and value maximization of each product

- Rapid and efficient market launch of compounds in late phases of clinical trials, value maximization of each product
- Promote R&D for next generation of strategic compounds, seek optimum timing for out-licensing

<FY3/2014 Forecast>

- Revenue projected to increase and losses projected to improve from increase in revenue at Torii Pharmaceutical Co., Ltd and increase in milestone and royalty revenue

(JPY BN)	<u>FY3/2013</u>	<u>FY3/2014</u>	<u>Change</u>
Revenue	53.2	59.5	+6.3
Adjusted EBITDA ¹	-12.7	-10.5	+2.2



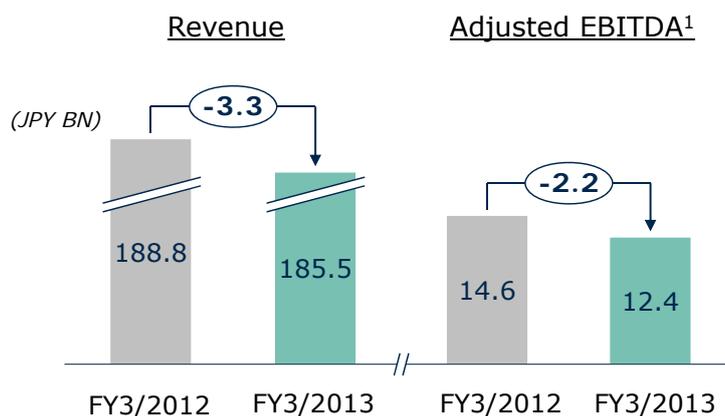
Beverage business



Beverage Business(Results): Record high company sales volume

Revenue

- Record high company sales volume, but affected by decrease in revenue from cup vending machines



Adjusted EBITDA

- Affected by revenue decline and change in distribution channel composition, among others



Beverage Business(Forecast):

In addition to Roots, foster "Momono Tennen sui" as the second pillar brand, focus on strengthening the business base

Mid- to long-term business targets

- Strengthen the business base for future growth in order to make further profit contribution to the JT group

- Brand equity investment in "Momono Tennen sui"
- Strive further for a high quality vending machine operation

(JPY BN)	<u>FY3/2013</u>	<u>FY3/2014</u>	<u>Change</u>
Revenue	185.5	187.0	+1.5
Adjusted EBITDA ¹	12.4	10.5	-1.9



23



桃 [momo-ten] 天然水



Processed food business



Processed Food Business(Results):
Steady top-line performance from growth in staple food products

Revenue

■ Excluding processed fishery product business, strong growth in staple food products (12.4% growth y-on-y) drove top-line growth

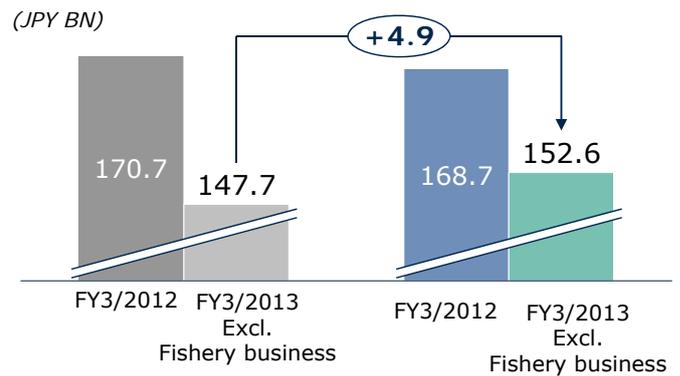
Adjusted EBITDA

■ Profitability improved steadily, driven by performance of staple food products
 ■ Increase in raw material cost is more than offset by the absence of expenses incurred in the same period of the prior year

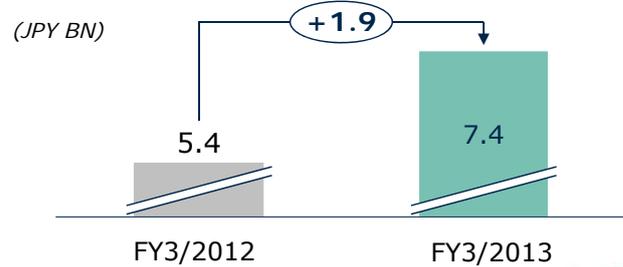


25

Revenue



Adjusted EBITDA¹



Processed Food Business(Forecast):
Top-line growth with focus on staple food products to achieve steady improvement in profitability

Mid- to long-term target and role

■ Strive to achieve operating profit margin on par with industry average and aim to make profit contribution to the JT group

- Combine our own technology with consumer needs to enhance product strength with focus on staple food products
- Minimize the effect of rising raw material cost and weak yen

(JPY BN)	<u>FY3/2013</u>	<u>FY3/2014</u>	<u>Change</u>
Revenue	168.7	159.0	-9.7
Revenue (Excl. fishery business)	152.6	159.0	+6.4
Adjusted EBITDA ¹	7.4	9.5	+2.1

26



13

Resource allocation and mid- to long-term shareholder return target



Over the mid- to long-term, resources will be allocated based on “4S” model

- Investment in our business for sustainable future profit growth will be prioritized
- Moreover, target a competitive shareholder return comparable to global FMCG players

Business Investment and Capital Policy

- Prioritize investment in tobacco business
- Pharmaceutical, beverage and processed food business will focus on investments that will enhance the base for future profit contribution
- To seek flexible business investment that can capture changing business environment – However, restriction placed on new equity issues
- Need to secure sufficient capital raising ability. In practice:
 - ✓ To establish even stronger financial position
 - ✓ To retain treasury stock for the moment

Shareholder Return Policy

- Pursue competitive shareholder return comparable to the global FMCG players
 - Dividend payout ratio: target the level comparable to global FMCG players
 - Adjusted EPS growth at constant currency: target high single-digit growth per annum
 - ✓ The underlying growth to come from growth of our business, but share buy-backs will be considered as a complimentary initiative



Closing remarks

- Strong results achieved in FY3/2013 in spite of difficult business environment
 - ✓ Adjusted EBITDA at constant currency of +15.1% achieved, super-seeding our original forecast
- Moreover, shareholder return has been enforced steadily
 - ✓ Dividend payout ratio of 37.6% achieved
 - ✓ Adjusted EPS at constant currency of 27.3% achieved from strong business momentum
 - ✓ Share buy-back of Yen 250 billion during government share disposal
- Record profit projected for FY3/2014
 - ✓ Adjusted EBITDA forecasted to grow 6.1% at constant currency
- Aim to achieve dividend payout ratio of 40%

Adjusted EPS = (Profit or loss attributable to owners of the parent company ± adjustment items (income and costs)* ± tax and minority interests adjustments) / (weighted-average common shares + increased number of ordinary shares under subscription rights to shares)
*Adjustment items (income and costs) = impairment losses on goodwill ± restructuring income and costs ± others

29



<Footnotes>

1 Adjusted EBITDA :	Operating profit + depreciation and amortization ± adjustment items (income and costs)* * adjustment items (income and costs) = impairment losses on goodwill ± restructuring income and costs ± others
2 Profit:	Profit attributable to owners of the parent
3 Total Sales Volume: (Japanese Domestic Tobacco Business)	Excludes sales volume of domestic duty free and the China business
4 Core Revenue: (Japanese Domestic Tobacco Business)	Excludes revenue from distribution of imported tobacco in the Japanese domestic tobacco business, among others
5 Total Shipment Volume: (International Tobacco Business)	Includes fine cut, cigars, pipe tobacco and snus, but excludes contract manufactured products and waterpipe tobacco products
6 Core Revenue: (International Tobacco Business):	Includes revenue from fine cut and waterpipe tobacco products, but excludes revenues from distribution, contract manufacturing and other peripheral businesses. (FY3/2013 results do not include revenue from waterpipe tobacco)
7 Constant Currency:	Constant currency measures are computed by restating current year results at the previous year's foreign currency exchange rates. In 2013, market results/forecast, subject to highly volatile currency, significant currency devaluation and/or highly inflationary environments, are reported at actual/assumed exchange rates for figures both on a reported basis and at constant rates of exchange. Accordingly, 2012 results at constant rates of exchange have been restated for such markets. Results at constant rates of exchange should be considered in addition to, not as a substitute for, results reported in accordance with IFRS.

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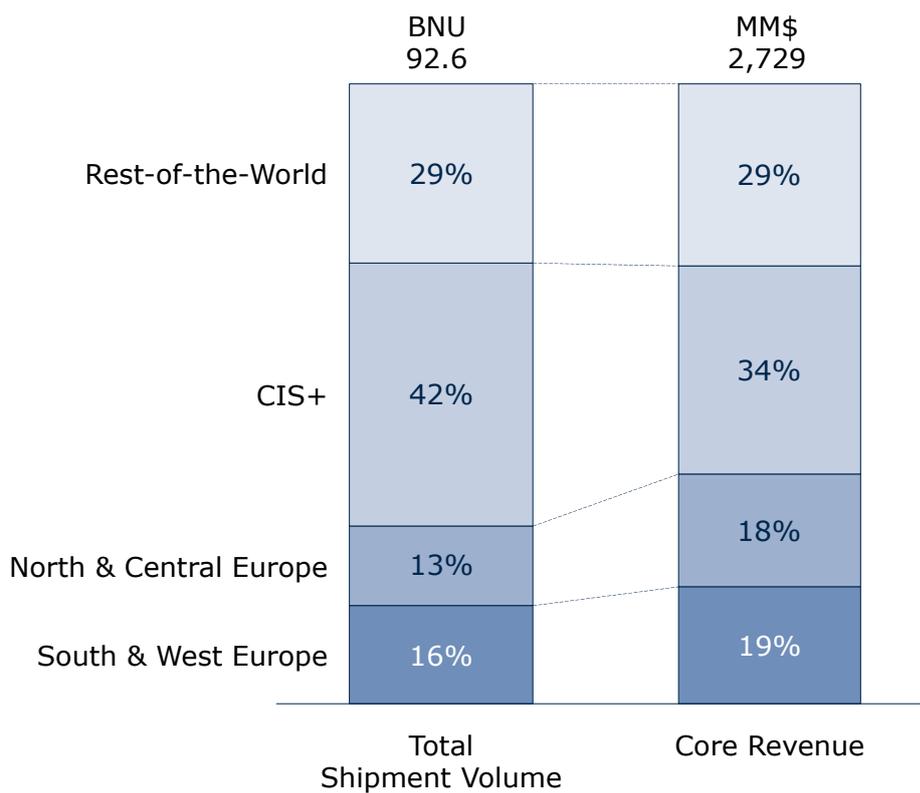
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<Back up data>



<Back up data> International Tobacco Business
Composition Ratio by Cluster

【Results for January-March 2013】



<Back up data> International Tobacco Business
Share of Key Markets (12 Month Average)

	<u>2012</u> <u>March</u>	<u>2013</u> <u>March</u>	<u>Change</u>
France	16.1%	18.2%	+2.1ppt
Spain	20.6%	20.7%	+0.1ppt
Italy	20.7%	21.5%	+0.8ppt
Russia	36.9%	36.5%	-0.4ppt
(GFB)	20.9%	22.2%	+1.3ppt
Taiwan	37.9%	39.3%	+1.4ppt
Turkey	24.7%	26.3%	+1.6ppt
UK	38.4%	39.8%	+1.4ppt

Source: Nielsen, Logista, Altadis



<Back up data> International Tobacco Business
Total Shipment Volume Growth by Cluster and Selected Markets vs. PY

	<u>2013</u> <u>Jan-Mar</u>
JTI	-6.4%
South & West Europe	-2.0%
Spain	1.7%
Italy	-15.7%
France	8.3%
North & Central Europe	-3.0%
UK	-8.2%
Ireland	4.0%
Austria	4.2%
Sweden	10.5%
Poland	-5.3%
CIS+	-5.6%
Russia	-4.3%
Ukraine	-17.2%
Kazakhstan	-5.9%
Romania	1.5%
Rest of the World	-11.0%
Turkey	3.0%
Taiwan	2.9%
Canada	-8.7%
Malaysia	-5.8%



<Back up data> International Tobacco Business
GFB Shipment Volume

<i>BNU</i>	<u>2012</u> <u>Jan-Mar</u>	<u>2013</u> <u>Jan-Mar</u>	<u>Change</u>
GFB	61.1	58.4	-4.5%
Winston	31.3	29.6	-5.4%
Camel	9.6	9.1	-5.2%
Mild Seven/ MEVIUS*	4.5	4.4	-1.7%
B&H	2.6	2.3	-10.2%
Silk Cut	0.9	0.8	-10.6%
LD	9.8	9.8	0.2%
Sobranie	0.3	0.5	32.9%
Glamour	2.0	1.8	-11.5%



*Name change already rolled out in Singapore and Korea



<Back up data> International Tobacco Business
Tax and Price Increase

	<i>excise tax change</i>	<i>price increase</i>
Italy	Sep 2011 ⁱ⁾	Jul, Sep 2011 Mar 2012
France	Jan 2013 ⁱⁱ⁾	Oct 2011 Oct 2012
Spain	Apr, Sep ⁱⁱ⁾ 2012 Jan 2013	Temporary price reduction from June to Sep 2011 Apr, Sep 2012 Jan 2013
UK	Jan ⁱ⁾ , Mar 2011 Mar 2012 Mar 2013	Jan, Mar, Sep 2011 Mar, Sep 2012 Mar 2013
Russia	Jan 2011 Jan, Jul 2012 Jan 2013	Jun, Dec 2011 Jun, Dec 2012
Turkey	Oct 2011 Jan 2013	Oct 2011 Jan 2013
Taiwan	Sep 2011 ⁱⁱ⁾	Mar-Apr ⁱⁱⁱ⁾ , Sep 2011 Aug-Sep 2012 ⁱⁱⁱ⁾

i) Increase in VAT

ii) Tax structure change

iii) Price increase for some brands each month



<Back up data> International Tobacco Business
FX Assumptions

	<u>2012</u> <u>Actual</u>	<u>2013</u> <u>Forecast</u>	<u>Change</u>
RUB/\$	31.07	31.00	0.2%
GBP/\$	0.63	0.66	-4.4%
EUR/\$	0.78	0.80	-2.7%
CHF/\$	0.94	0.96	-2.3%
TWD/\$	29.57	29.71	-0.5%
YEN/\$	79.81	95.00	-16.0%

37



<Back up data> International Tobacco Business
FX Actual

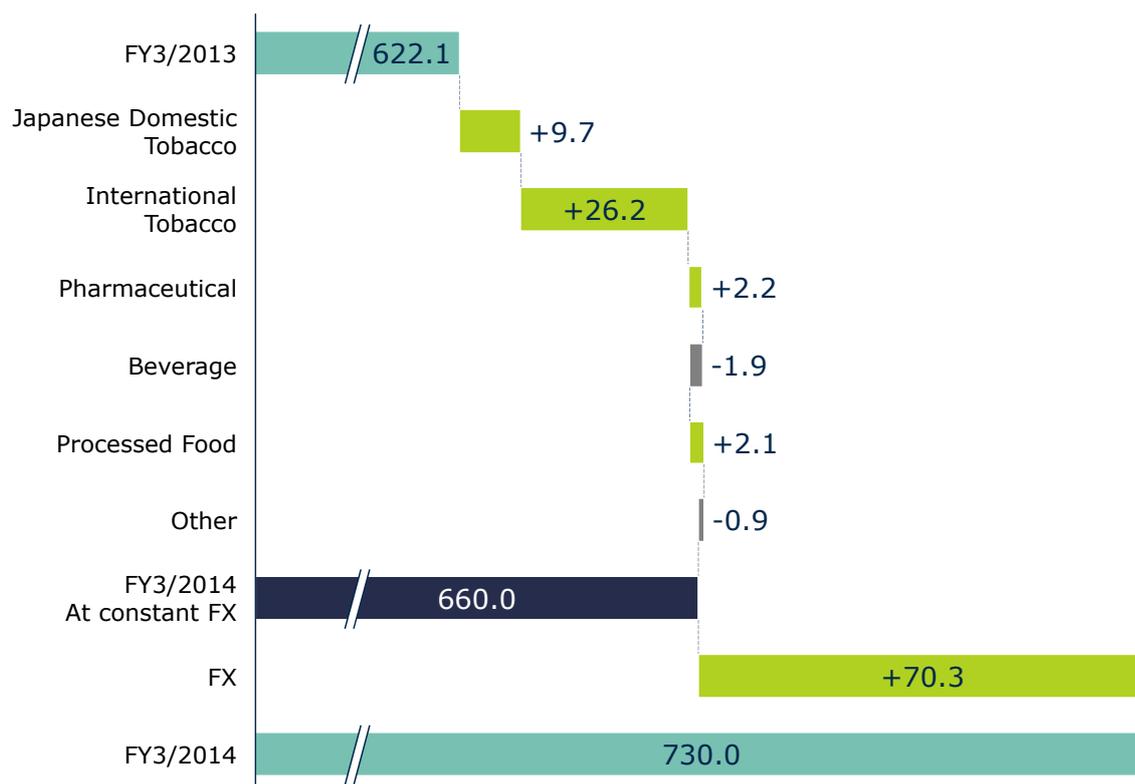
	<u>2012</u> <u>Jan-Mar</u>	<u>2013</u> <u>Jan-Mar</u>	<u>Change</u>
RUB/\$	30.15	30.40	-0.8%
GBP/\$	0.64	0.64	-1.1%
EUR/\$	0.76	0.76	+0.8%
CHF/\$	0.92	0.93	-0.9%
TWD/\$	29.71	29.47	+0.8%
YEN/\$	79.35	92.46	-14.2%

38



19

<Back up data> Consolidated Financial Forecast Adjusted EBITDA analysis

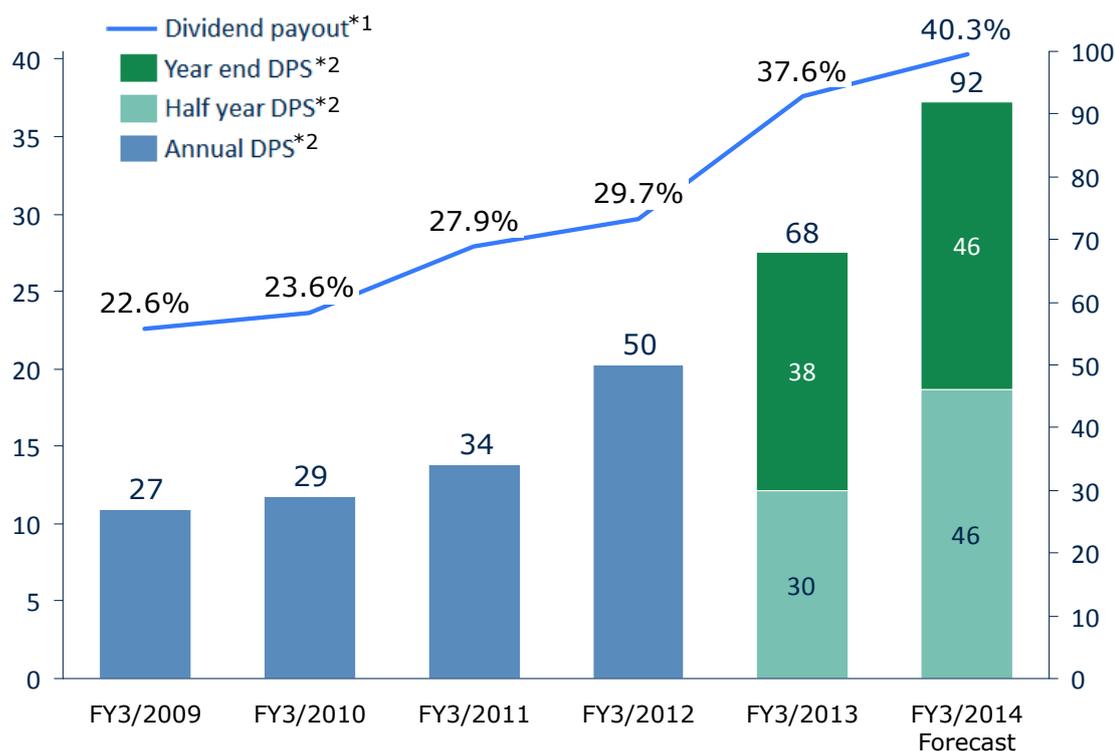


*Figures are rounded below JPY 100MM



39

<Back up data> Evolution of dividend payment and dividend payout ratio



*1 Consolidated dividend payout ratio after FY3/2012 is in IFRS while, before FY3/2011, the ratio is in JGAAP based on earnings before goodwill amortization.

*2 A 200 for 1 stock split took place, effective as of July 1, 2012. Figures prior to the stock split have been adjusted to reflect the stock split.



40

20

[Reference Material]

Analysis of Consolidated Financial Results for FY3/2013 and the Full-term Forecast for FY3/2014



- *Please be reminded that the figures shown on these slides may differ from those shown in the financial statements as they are intended to facilitate the understanding of individual businesses.
- *Please refer to slide 21 for each indicator.

Caution concerning Forward-Looking Statements

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This presentation contains forward-looking statements. These statements appear in a number of places in this presentation and include statements regarding the intent, belief, or current and future expectations of our management with respect to our business, financial condition and results of operations. In some cases, you can identify forward-looking statements by terms such as "may", "will", "should", "would", "expect", "intend", "project", "plan", "aim", "seek", "target", "anticipate", "believe", "estimate", "predict", "potential" or the negative of these terms or other similar terminology. These statements are not guarantees of future performance and are subject to various risks and uncertainties. Actual results, performance or achievements, or those of the industries in which we operate, may differ materially from any future results, performance or achievements expressed or implied by these forward-looking statements. In addition, these forward-looking statements are necessarily dependent upon assumptions, estimates and data that may be incorrect or imprecise and involve known and unknown risks and uncertainties. Forward-looking statements regarding operating results are particularly subject to a variety of assumptions, some or all of which may not be realized.

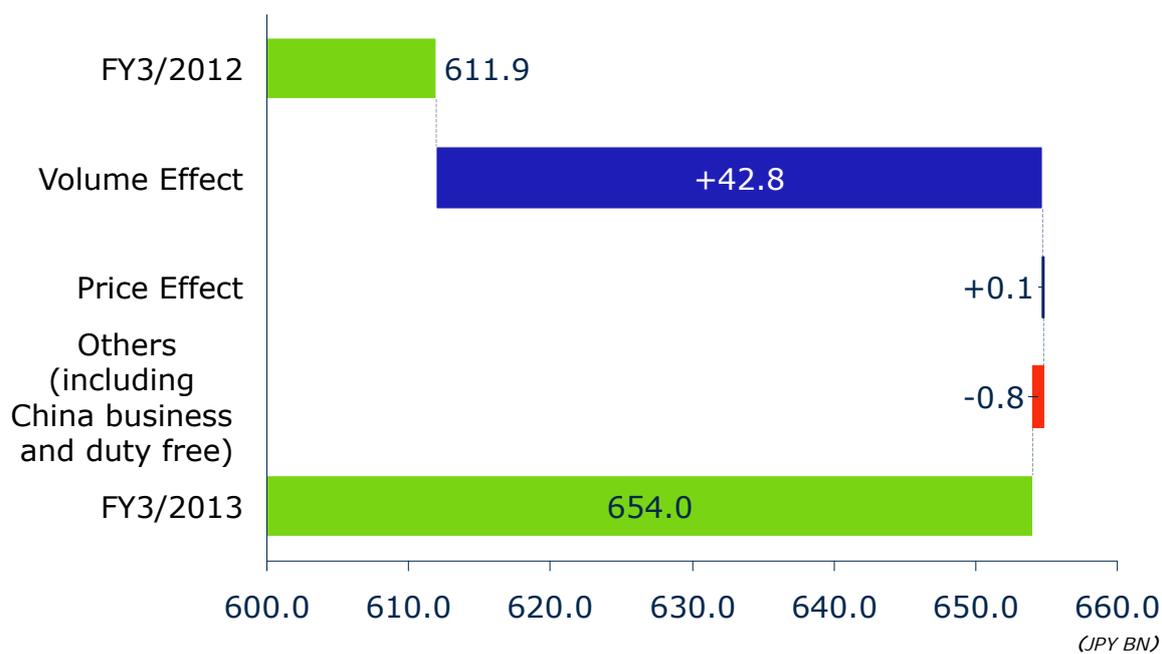
Risks, uncertainties or other factors that could cause actual results to differ materially from those expressed in any forward-looking statement include, without limitation:

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- (2) restrictions on promoting, marketing, packaging, labeling and usage of tobacco products in markets in which we operate;
- (3) increases in excise, consumption or other taxes on tobacco products in markets in which we operate;
- (4) litigation around the world alleging adverse health and financial effects resulting from, or relating to, tobacco products ;
- (5) our ability to realize anticipated results of our acquisition or other similar investments;
- (6) competition in markets in which we operate or into which we seek to expand;
- (7) deterioration in economic conditions in areas that matter to us;
- (8) economic, regulatory and political changes, such as nationalization, terrorism, wars and civil unrest, in countries in which we operate;
- (9) fluctuations in foreign exchange rates and the costs of raw materials; and
- (10) catastrophes, including natural disasters.



Financial Results for FY3/2013 (IFRS)

Japanese Domestic Tobacco Business – Core Revenue ¹

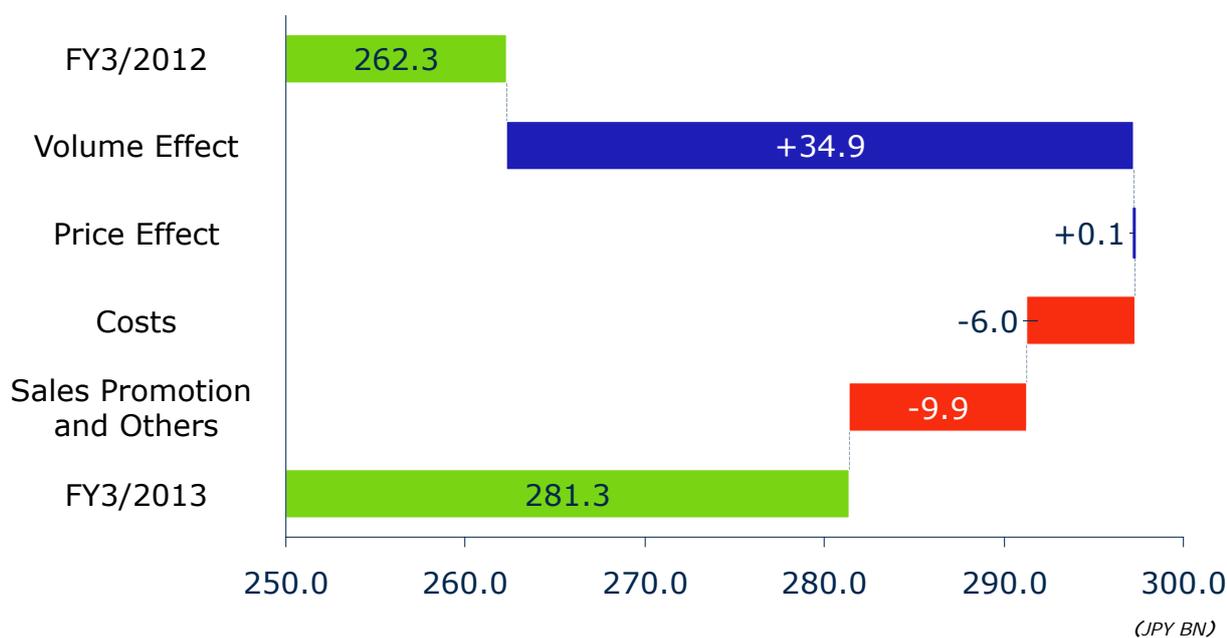


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Financial Results for FY3/2013 (IFRS)

Japanese Domestic Tobacco Business – Adjusted EBITDA ²

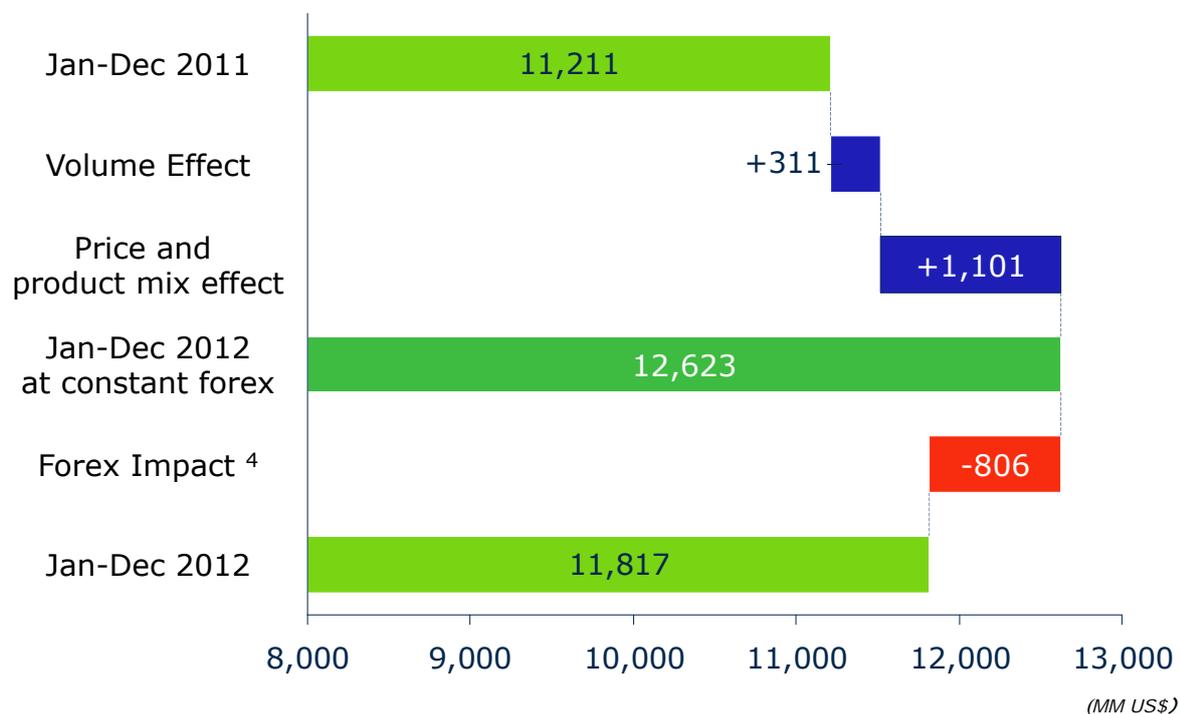


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Financial Results for FY3/2013 (IFRS)

International Tobacco Business – Core Revenue ³

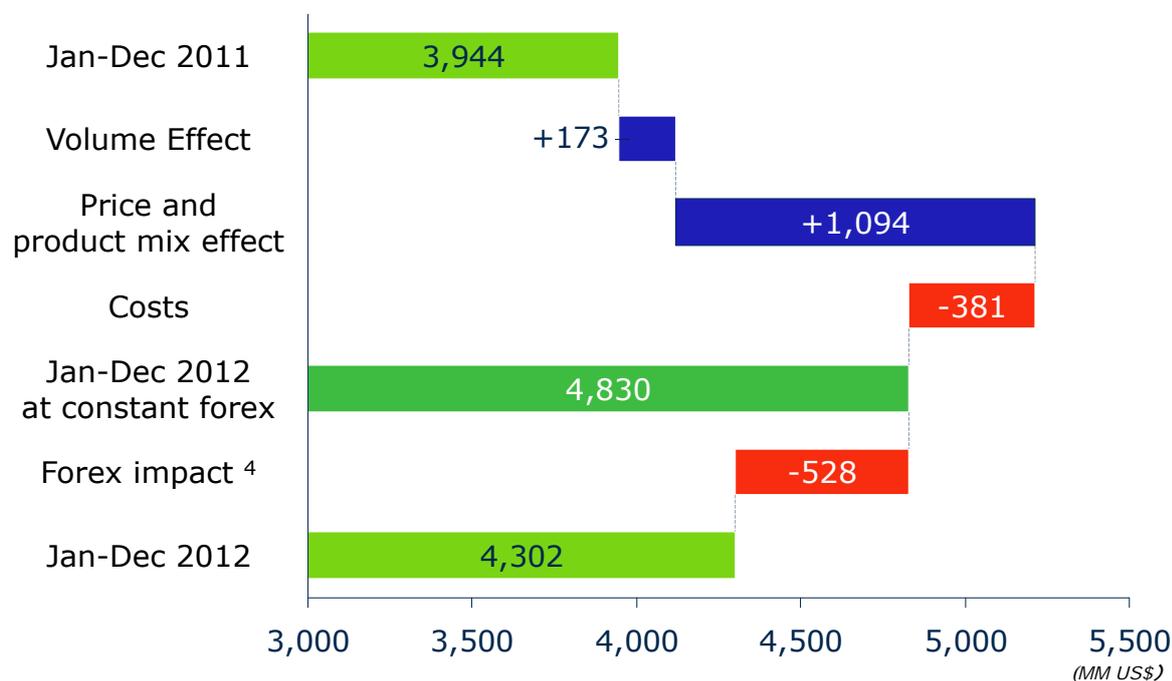


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Financial Results for FY3/2013 (IFRS)

International Tobacco Business – Adjusted EBITDA ²

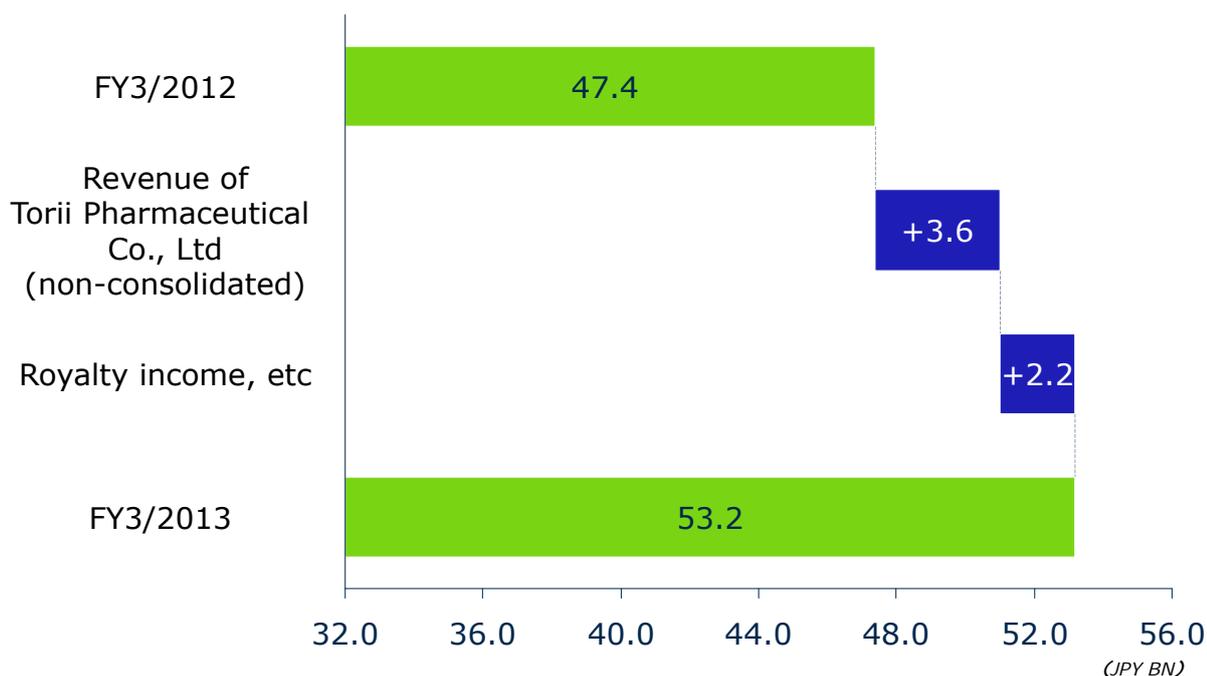


6



Financial Results for FY3/2013 (IFRS)

Pharmaceutical Business – Revenue

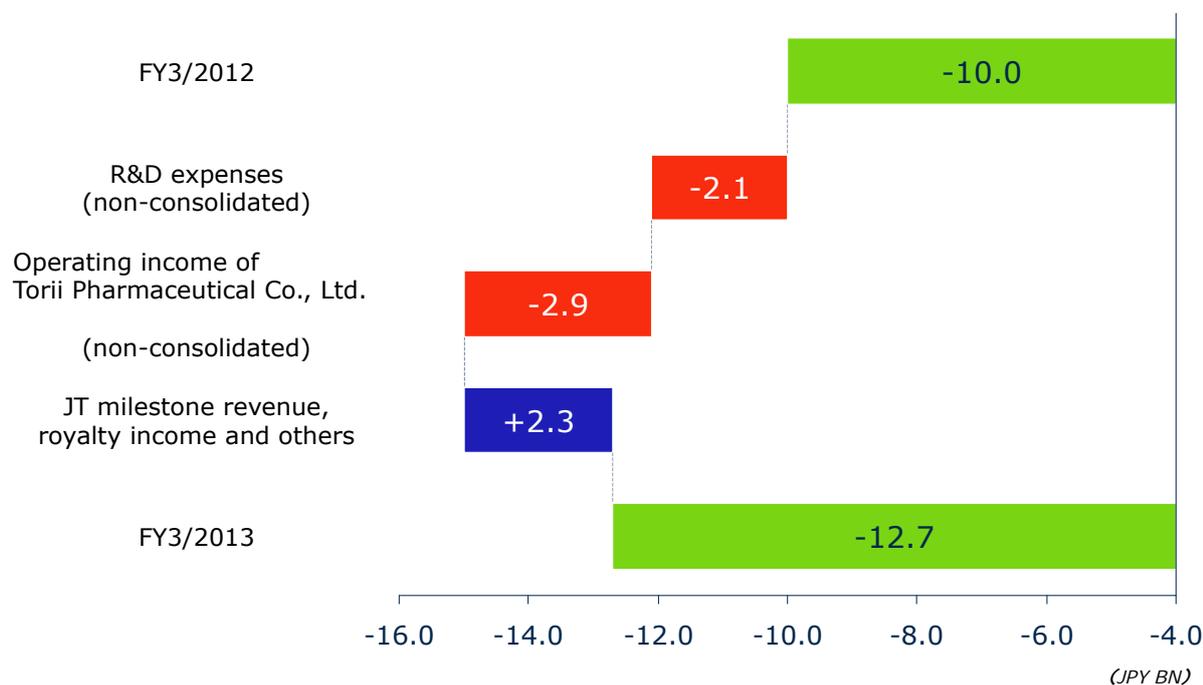


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Financial Results for FY3/2013 (IFRS)

Pharmaceutical Business – Adjusted EBITDA ²

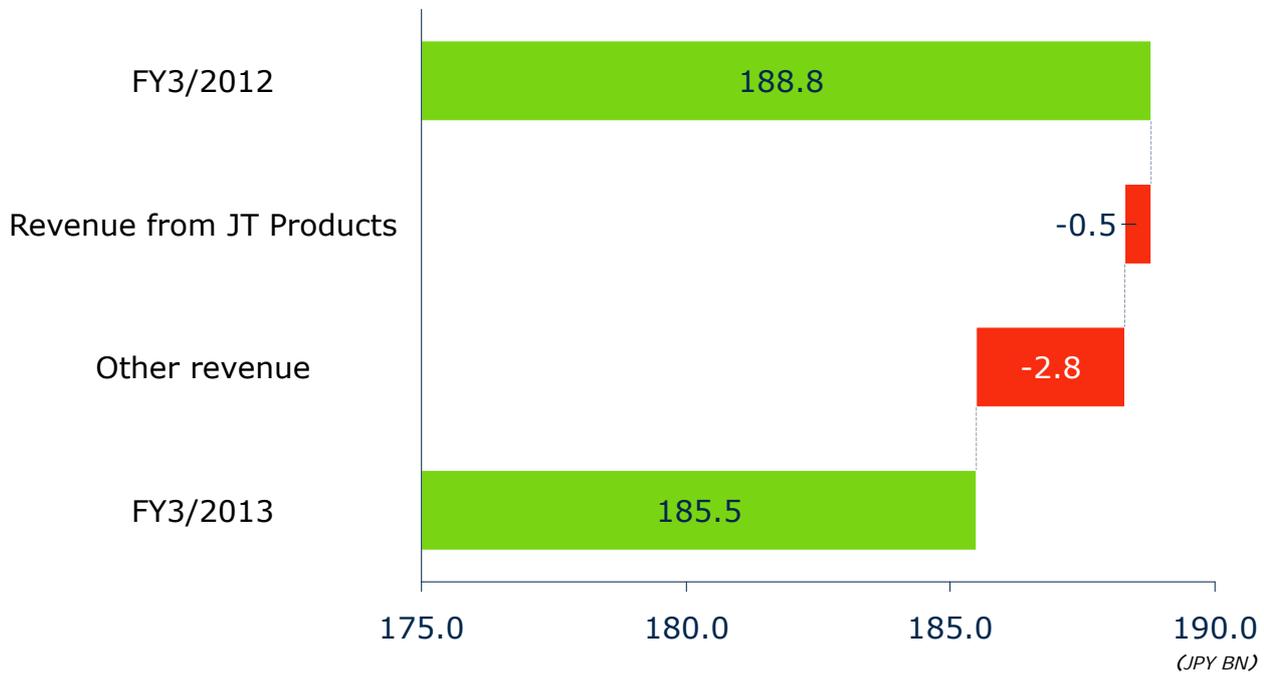


8



Financial Results for FY3/2013 (IFRS)

□ Beverage Business - Revenue

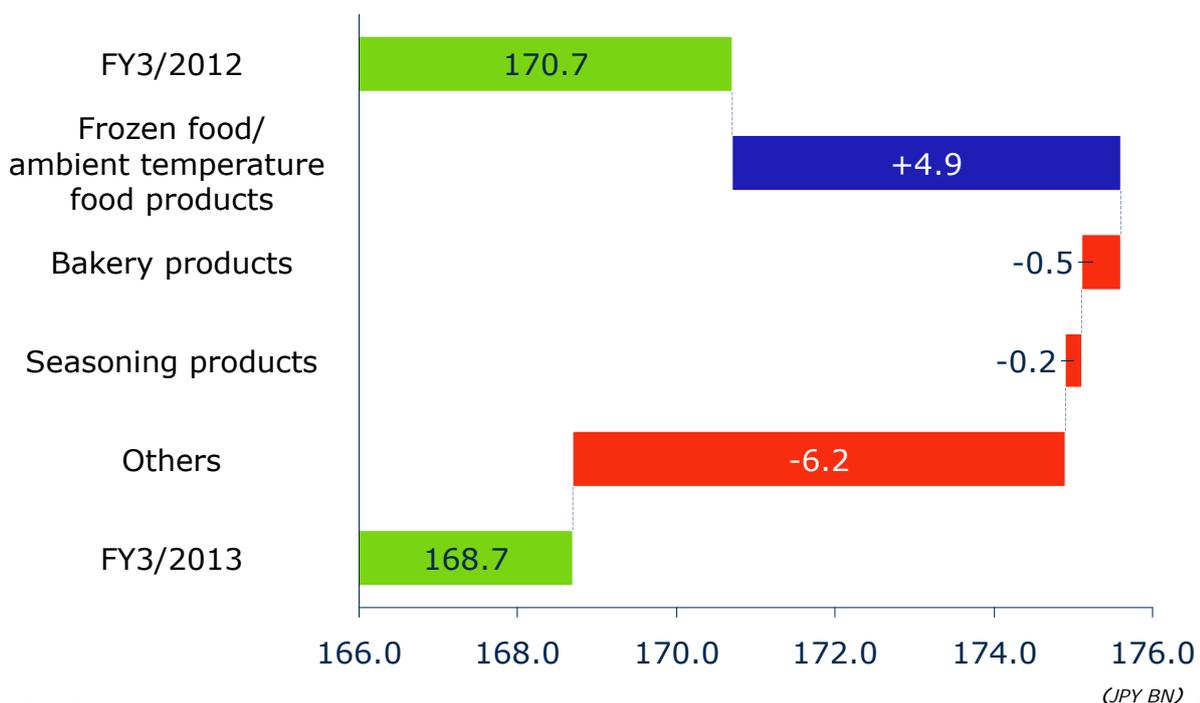


9



Financial Results for FY3/2013 (IFRS)

□ Processed Food Business - Revenue



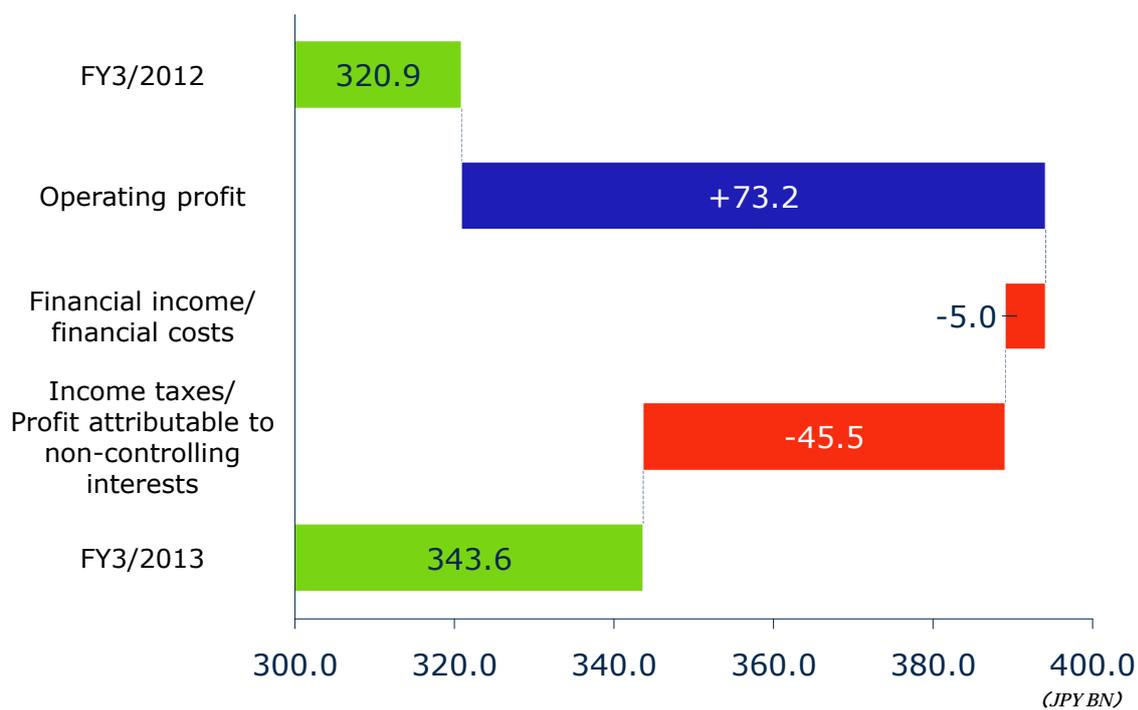
(Note) Year-on-year change in revenue of processed fishery products are included in 'others'

10



Financial Results for FY3/2013 (IFRS)

Profit attributable to owners of the parent



11



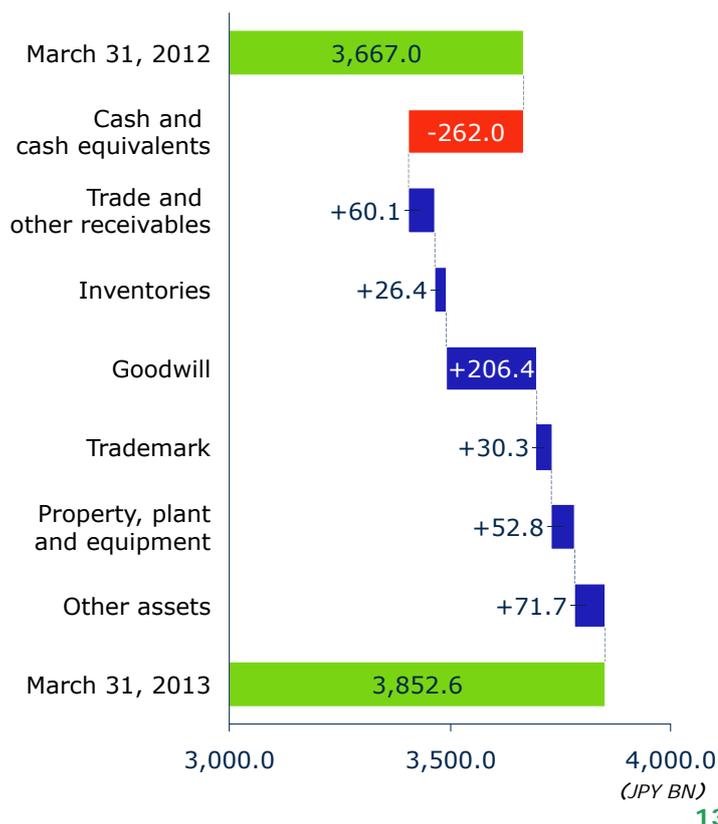
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12



Summary of Consolidated Balance Sheet as of March 31, 2013 (IFRS)

Consolidated balance sheet (Assets) compared to B/S as of March 31, 2012



Current Assets: Down JPY -117.9BN

【Cash and cash equivalents】 Down JPY -262.0 BN

•Decrease from share buy-back, acquisitions and investment in next generation raw material processing lines in the Japanese domestic tobacco business

【Trade and other receivables】 Up JPY +60.1 BN

•Increase from strong performance of international tobacco business

Non-current Assets: Up JPY +303.5 BN

【Goodwill】 Up JPY +206.4BN

•Increase from forex impact and acquisitions

【Property, plant and equipment】 Up JPY +52.8 BN

•Increase from investment in next generation raw material processing lines in the Japanese domestic tobacco business, among others

【Trademark】 Up JPY +30.3 BN

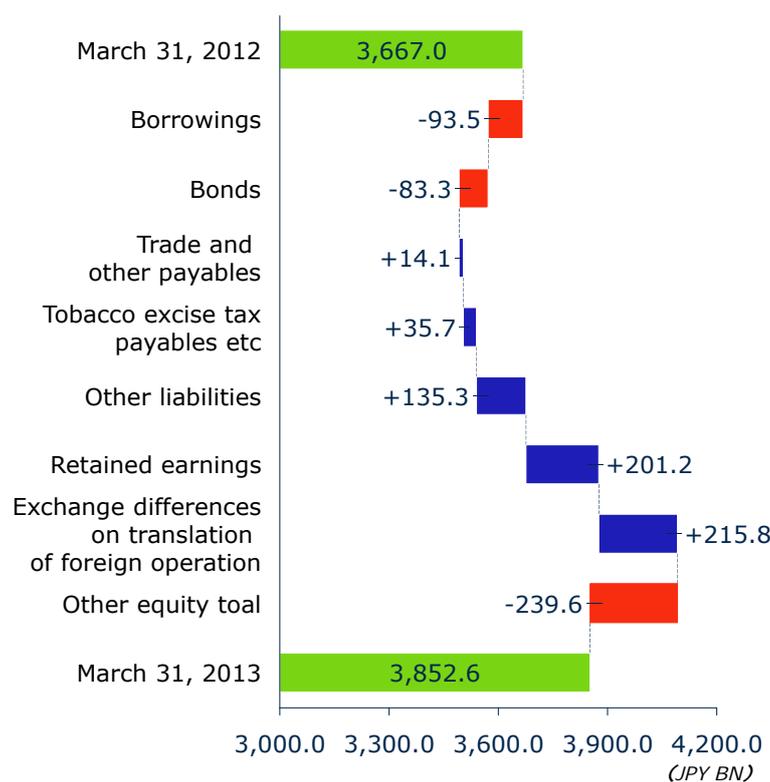
•Increase from forex impact and acquisitions



13

Summary of Consolidated Balance Sheet as of March 31, 2013 (IFRS)

Consolidated balance sheet (Liabilities and Equity) compared to B/S as of March 31, 2012



Liabilities: Up JPY +8.2 BN

【Decrease in borrowings】 Down JPY -93.5 BN

•Repayment of loans

【Decrease in bonds】 Down JPY -83.3 BN

•Decrease from bond redemption

【Increase in tobacco excise tax payables and others】 Up JPY +35.7 BN

•Increase from sales volume growth in the international tobacco business

【Other liabilities】 Up JPY +135.3 BN

•Increase in liabilities related to retirement benefits in the international tobacco business, increase in income tax payable

Equity: Up JPY +177.4 BN

【Increase in retained earnings】 Up JPY +201.2 BN

•Decrease from dividend payment is more than offset by appropriation of profit

【Exchange differences on translation of foreign operations】 Up JPY +215.8 BN

•Increase from forex effect

【Other equity total】 Down JPY -239.6 BN

•Decrease from share buy-back

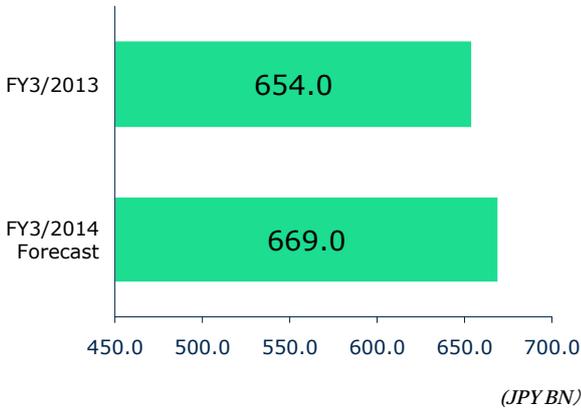


14

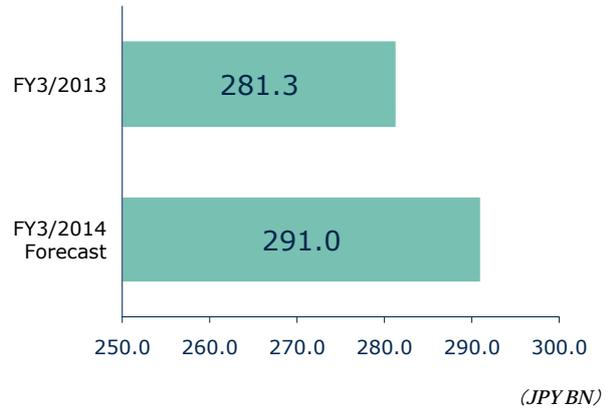
Forecast for FY3/2014 compared to FY3/2013 results (IFRS)

Japanese Domestic Tobacco Business - Core Revenue¹/Adjusted EBITDA²

● Core Revenue¹



● Adjusted EBITDA²



【Positive factors】

- Share recovery and increase in JT total sales volume from temporary demand increase prior to consumption tax hike
116.2 BNU → 119.0 BNU

【Positive factors】

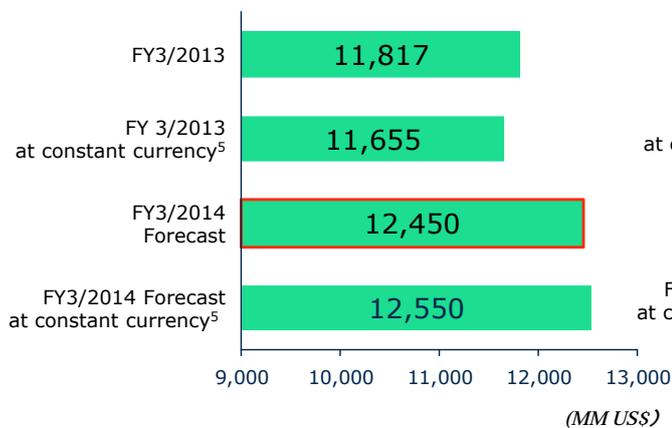
- Share recovery and increase in JT total sales volume from temporary demand increase prior to consumption tax hike
116.2 BNU → 119.0 BNU



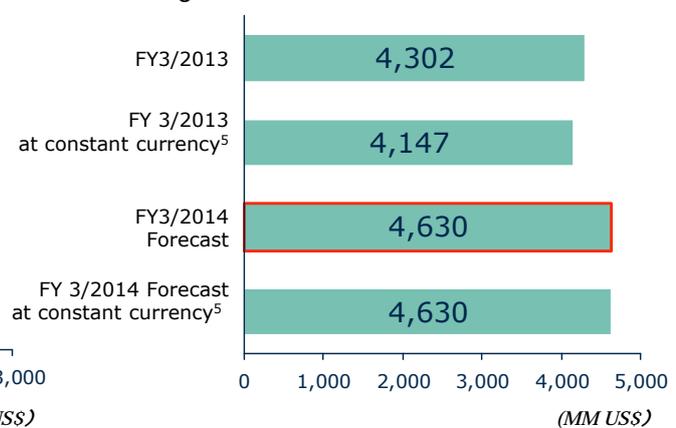
Forecast for FY3/2014 compared to FY3/2013 results (IFRS)

International Tobacco Business - Dollar based Core Revenue³/Adjusted EBITDA²

● Core Revenue³



● Adjusted EBITDA²



【Positive factors】

- Price effect and GFB growth

【Positive factors】

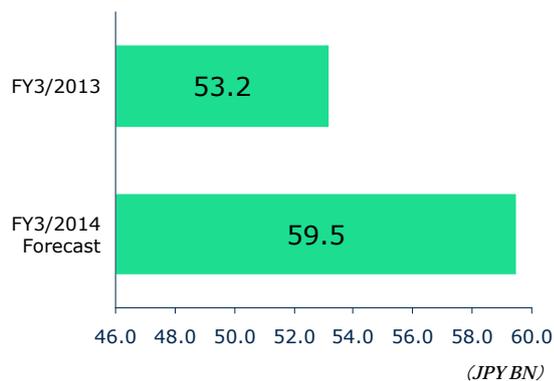
- Price effect and GFB growth



Forecast for FY3/2014 compared to FY3/2013 results (IFRS)

□ Pharmaceutical Business - Revenue/Adjusted EBITDA²

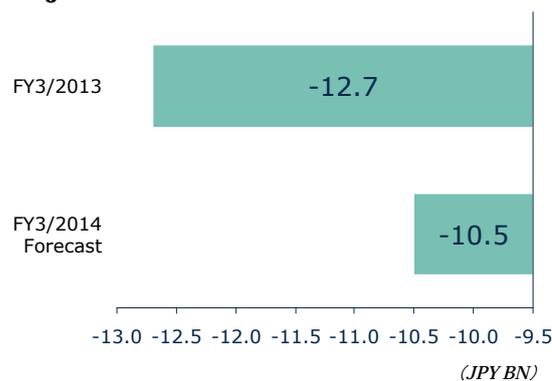
● Revenue



【Positive factors】

- Increase in sales of Torii Pharmaceutical Co., Ltd.
- Increase in milestone and royalty revenue for JT

● Adjusted EBITDA²



【Positive factors】

- Increase in profits at Torii Pharmaceutical Co., Ltd.
- Increase in milestone and royalty revenue for JT

【Negative factors】

- Increase in R&D expenses



Forecast for FY3/2014 compared to FY3/2013 results (IFRS)

□ Beverage Business- Revenue/Adjusted EBITDA²

● Revenue

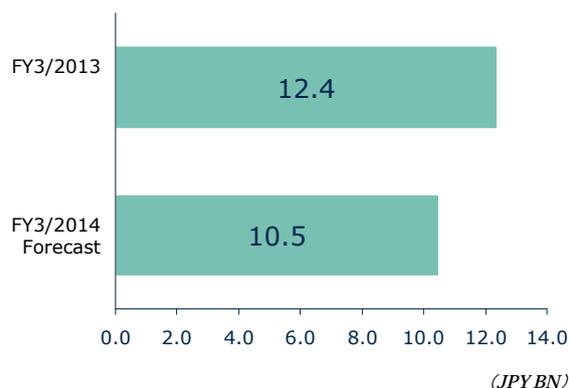


【Positive Factors】

- Increase in sales of flagship brand 'Roots' and 'Momono Tennen sui'*

* Peach flavored natural water

● Adjusted EBITDA²



【Negative factors】

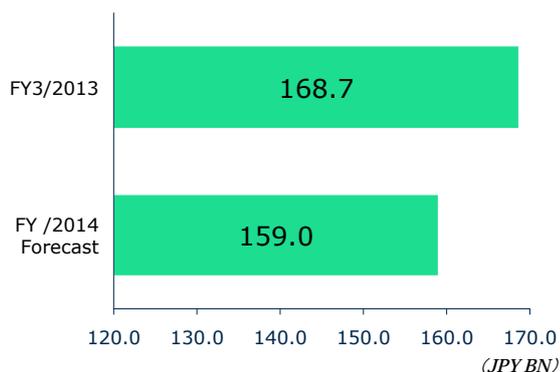
- Cost associated with initiatives to foster 'Momono Tennen sui' as well as initiatives to further build high quality vending machine operation



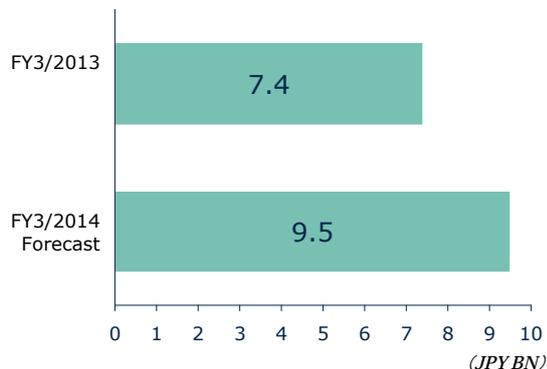
Forecast for FY3/2014 compared to FY3/2013 results (IFRS)

□ Processed Food Business– Revenue/Adjusted EBITDA²

● Revenue



● Adjusted EBITDA²



【Positive factors】

- Growth of staple food products

【Negative factors】

- Decrease in revenue from withdrawal from processed fishery products business

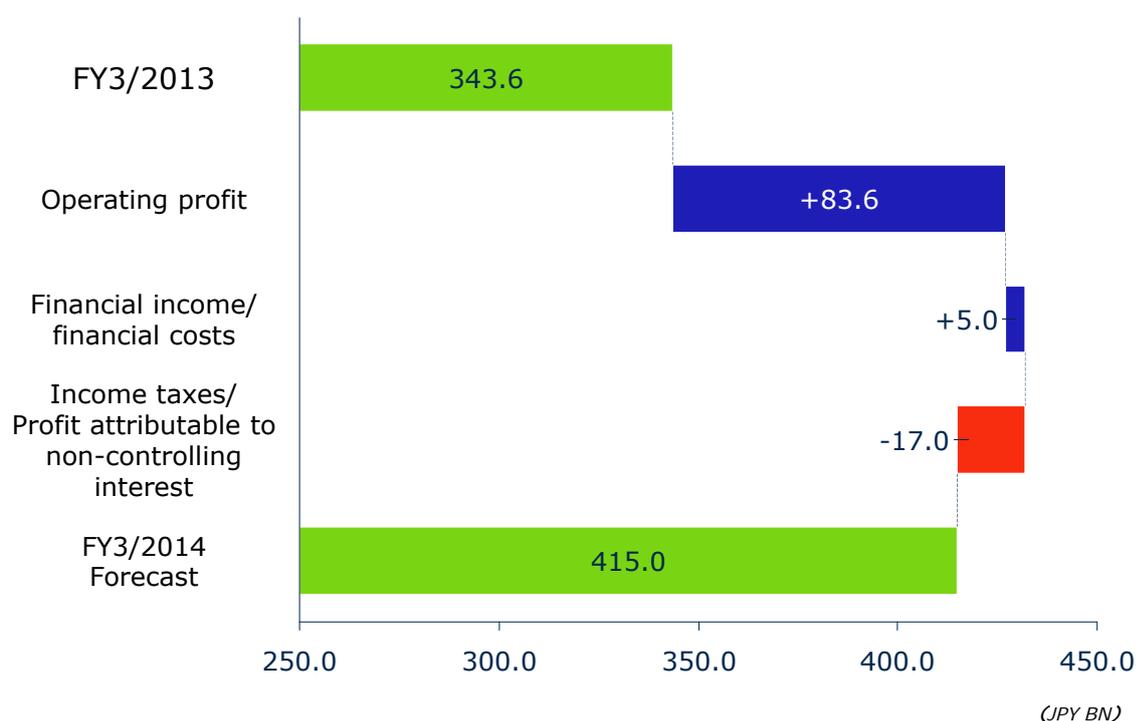
【Positive factors】

- Improved profitability through focus on staple food products and cost reduction efforts, among others



Forecast for FY3/2014 compared to FY3/2013 results (IFRS)

□ Profit attributable to owners of the parent



<Annotations>

- 1 Core Revenue
(Japanese domestic tobacco business) Revenue excluding revenues from distribution of imported tobacco in the Japanese domestic tobacco business and other peripheral businesses
- 2 Adjusted EBITDA Adjusted EBITDA = Operating profit + depreciation and amortization ± adjustment items (income and costs)*
- * Adjustment items (income and costs) = impairment losses on goodwill ± restructuring income and costs ± others
- 3 Core Revenue
(International tobacco business) Includes revenue from fine cut and waterpipe tobacco products, but excludes revenues from distribution, contract manufacturing and other peripheral businesses.
(FY3/2013 results do not include revenue from waterpipe)
- 4 Forex Impact Forex impact is the fluctuation between USD and other currencies
- 5 Constant Currency Constant currency measures are computed by restating current year results at the previous year's foreign currency exchange rates. In 2013, market results/forecast, subject to highly volatile currency, significant currency devaluation and/or highly inflationary environments, are reported at actual/assumed exchange rates for figures both on a reported basis and at constant rates of exchange. Accordingly, 2012 results at constant rates of exchange have been restated for such markets. Results at constant rates of exchange should be considered in addition to, not as a substitute for, results reported in accordance with IFRS.

21



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Results for the FY ended Mar.2013

1. Summary of Business Performance

(unit: JPY billion,%)

	FY ended Mar. 2012	FY ended Mar. 2013	Change	Rates of Change
Revenue	2,033.8	2,120.2	+86.4	+4.2%
Operating profit	459.2	532.4	+73.2	+15.9%
Profit before income taxes	441.4	509.6	+68.2	+15.5%
Profit	328.6	351.5	+23.0	+7.0%
Profit(attributable to owners of the parent)	320.9	343.6	+22.7	+7.1%
Basic EPS(yen)	168.50	181.07	+12.57	+7.5%
Diluted EPS(yen)	168.44	180.99	+12.55	+7.4%
Adjusted EBITDA ^{*1}	577.1	622.1	+45.0	+7.8%
Adjusted profit	290.8	329.7	+38.9	+13.4%
Adjusted EPS(yen) ^{*2}	152.65	173.65	+21.00	+13.8%
DPS(yen)	50.00	68.00	+18.00	+36.0%
Payout ratio	29.7%	37.6%	+7.9%pt	-
ROE(attributable to owners of the parent)	20.3%	20.0%	-0.3%pt	-

(Reference) (unit: JPY billion,%)

	FY ended Mar. 2012	FY ended Mar. 2013	Change	Rates of Change
Adjusted EBITDA at constant rates of exchange ^{*3}	577.1	664.2	+87.1	+15.1%
Adjusted EPS at constant rates of exchange(yen) ^{*2+3}	152.65	194.30	+41.65	+27.3%

- *1 : Adjusted EBITDA = Operating profit + depreciation and amortization + adjustment items (income and costs)*
 *Adjustment items (income and costs) = impairment losses on goodwill ± restructuring income and costs ± others
- *2 : Adjusted EPS = (Profit or loss attributable to owners of the parent company ± adjustment items (income and costs)* ± tax and minority interests adjustments) / (weighted-average common shares + increased number of ordinary shares under subscription rights to shares)
 *Adjustment items (income and costs) = impairment losses on goodwill ± restructuring income and costs ± others
- *3 : FY ended Mar.2012-Actual
 FY ended Mar.2013- Regarding international tobacco business, at the same foreign exchange rates between local currency vs USD and JPY vs USD as FY ended Mar.2012

2. Breakdown of Revenue

(unit: JPY billion,%)

	FY ended Mar. 2012	FY ended Mar. 2013	Change	Rates of Change
Revenue	2,033.8	2,120.2	+86.4	+4.2%
Japanese domestic tobacco	646.2	687.1	+41.0	+6.3%
Core revenue ^{*1}	611.9	654.0	+42.1	+6.9%
International tobacco ^{*2}	966.3	1,010.7	+44.4	+4.6%
Core revenue ^{*3}	894.6	943.1	+48.5	+5.4%
Pharmaceutical	47.4	53.2	+5.8	+12.1%
Beverage	188.8	185.5	-3.3	-1.7%
Processed foods	170.7	168.7	-1.9	-1.1%
Others	14.6	15.0	+0.5	+3.2%

(Reference) (unit: USD million,%)

	FY ended Dec. 2011	FY ended Dec. 2012	Change	Rates of Change
International tobacco	11,211	11,817	+606	+5.4%
Core revenue ^{*3}	11,211	12,623	+1,412	+12.6%

- *1 : Excluding revenue from the distribution business of imported tobacco
- *2 : International tobacco business: FY ended Dec.2011 and FY ended Dec.2012
- *3 : Excluding revenue from the distribution, contract manufacturing and other peripheral businesses.
- *4 : FY ended Dec.2011-Actual
 FY ended Dec.2012- at the same foreign exchange rates between local currency vs USD as FY ended Dec.2011

3. Adjusted EBITDA by business segment^{*1}

(unit: JPY billion,%)

	FY ended Mar. 2012	FY ended Mar. 2013	Change	Rates of Change
Consolidated Operating profit	459.2	532.4	+73.2	+15.9%
Adjustment ^{*3}	118.0	89.8	-28.2	-23.9%
Adjusted EBITDA ^{*1}	577.1	622.1	+45.0	+7.8%
Japanese domestic tobacco Operating profit	209.3	241.3	+32.0	+15.3%
Adjustment ^{*3}	53.0	40.0	-13.0	-24.5%
Adjusted EBITDA ^{*1}	262.3	281.3	+19.1	+7.3%
International tobacco Operating profit ^{*2}	252.4	289.5	+37.2	+14.7%
Adjustment ^{*2+3}	62.4	53.8	-8.6	-13.8%
Adjusted EBITDA ^{*1+2}	314.8	343.3	+28.5	+9.1%
Pharmaceutical Operating profit	-13.5	-16.2	-2.7	-
Adjustment ^{*3}	3.5	3.4	-0.0	-0.7%
Adjusted EBITDA ^{*1}	-10.0	-12.7	-2.7	-
Beverage Operating profit	4.5	2.4	-2.1	-47.5%
Adjustment ^{*3}	10.1	10.1	-0.0	-0.2%
Adjusted EBITDA ^{*1}	14.6	12.4	-2.2	-14.8%
Processed Foods Operating profit	-2.5	-5.8	-3.4	-
Adjustment ^{*3}	7.9	13.2	+5.3	+67.5%
Adjusted EBITDA ^{*1}	5.4	7.4	+1.9	+35.8%
Other/Elimination Operating profit	9.0	21.2	+12.1	+134.5%
Adjustment ^{*3}	-18.9	-30.7	-11.8	-
Adjusted EBITDA ^{*1}	-9.8	-9.6	+0.3	-

(Reference) (unit: USD million,%)

	FY ended Dec. 2011	FY ended Dec. 2012	Change	Rates of Change
International tobacco Adjusted EBITDA ^{*1}	3,944	4,302	+357	+9.1%
International tobacco Adjusted EBITDA at constant rates of exchange ^{*1+4}	3,944	4,830	+886	+22.5%

- *1 : Adjusted EBITDA = Operating profit + depreciation and amortization ± adjustment items (income and costs)*
 *Adjustment items (income and costs) = impairment losses on goodwill ± restructuring income and costs ± others
- *2 : International tobacco business: FY ended Dec.2011 and FY ended Dec.2012
- *3 : Excluding revenue from the distribution, contract manufacturing and other peripheral businesses.
- *4 : FY ended Dec.2011-Actual
 FY ended Dec.2012- at the same foreign exchange rates between local currency vs USD as FY ended Dec.2011

4. Consolidated financial position data

(unit: JPY billion)

	As of end of Mar.2012	As of end of Mar.2013	Change
Total Assets	3,667.0	3,852.6	+185.6
Total Equity	1,714.6	1,892.0	+177.4
Equity attributable to owners of the parent company	1,634.1	1,806.1	+172.1
BPS(attributable to owners of the parent) (yen)*	858.09	993.75	+135.66

- * : A 200 for 1 stock split is done, effective as of July 1, 2012.
 Calculated on the assumption that this stock split was conducted at the beginning of the previous fiscal year.

5. Liquidity^{*}

(unit: JPY billion)

	As of end of Mar.2012	As of end of Mar.2013	Change
Liquidity	431.2	168.3	-263.0

- * : Liquidity=cash and deposits+marketable securities+securities purchased under repurchase agreements

6. Interest-bearing debt^{*}

(unit: JPY billion)

	As of end of Mar.2012	As of end of Mar.2013	Change
Interest-bearing debt	502.4	327.2	-175.1

- * : Interest-bearing debt = short-term bank loans + CP + bonds + long-term borrowings + lease obligation

7. Consolidated cash flows data

(unit: JPY billion,%)

	FY ended Mar. 2012	FY ended Mar. 2013	Change	Rates of Change
Cash flows from operating activities	551.6	466.6	-85.0	-15.4%
Cash flows from investing activities	-103.8	-147.9	-44.1	-
Cash flows from financing activities	-279.1	-569.5	-290.4	-
Cash and cash equivalents, beginning of the year	244.2	404.7	+160.5	+65.7%
Foreign currency translation adjustments on cash and cash equivalents	-8.2	-11.2	-3.0	-
Cash and cash equivalents, end of the year ^{*1}	404.7	142.7	-262.0	-64.7%
FCF ^{*2}	451.3	316.0	-135.3	-30.0%

- *1 Included in "Cash and cash equivalents" at the end of this quarter is ¥14.9 billion (¥14.9 billion) held by the Group's Iranian subsidiary, JT Pars PPS Co.. Due to international sanctions and other factors imposed on Iran, the subsidiary's ability to remit funds outside of Iran is restricted.

- *2 : FCF is total of cash flows from operating activities and investing activities excluding the following items;
 Cash flows from interest and dividends received and its tax effect / interest paid and its tax effect in operating activities;
 Cash flows from purchase of short-term investment securities, proceeds from sale and redemption of short-term investment securities, purchase of investment securities, proceeds from sale of investment securities, payments into time deposits, proceeds from withdrawal of time deposits and others in investing activities (those from purchase/sale of securities held for business operation are not included here).

8. Capital expenditures

(unit: JPY billion,%)

	FY ended Mar. 2012	FY ended Mar. 2013	Change	Rates of Change
Capital expenditures	119.0	137.4	+18.5	+15.5%
Japanese domestic tobacco	56.2	71.2	+15.0	+26.7%
International tobacco [*]	39.1	37.5	-1.6	-4.2%
Pharmaceutical	3.9	5.8	+1.9	+47.8%
Beverage	8.1	12.0	+3.9	+48.5%
Processed foods	7.3	4.6	-2.7	-37.1%
Other/Elimination and corporate	4.3	6.3	+2.0	+46.3%

- * : International tobacco business: FY ended Dec.2011 and FY ended Dec.2012

9. Business data

	FY ended Mar. 2012	FY ended Mar. 2013	Change	Rates of Change
[Japanese domestic tobacco business]				
JT sales volume [*]	108.4	116.2	+7.8	+7.2%
Total demand	197.5	195.1	-2.4	-1.2%
JT market share	54.9%	59.6%	+4.7%pt	-
JT net sales after tax per 1,000 cigarettes	5,502	5,502	+0	+0.0%

- * : Sales volume of domestic duty-free and China division is excluded, which was 3.7 billion for FY3/2012 and 3.1 billion for FY3/2013, respectively.

	FY ended Dec. 2011	FY ended Dec. 2012	Change	Rates of Change
[International tobacco business]				
Total shipment volume [*]	425.7	436.5	+10.8	+2.5%
GFB shipment volume	256.5	268.8	+12.3	+4.8%
JPY/USD rate for consolidation	79.80	79.81	+0.01	-0.0%
RUB/USD rate for consolidation	29.40	31.07	+1.67	-5.4%
GBP/USD rate for consolidation	0.63	0.63	+0.01	-0.9%
EUR/USD rate for consolidation	0.72	0.78	+0.06	-7.1%
CHF/USD rate for consolidation	0.89	0.94	+0.05	-4.9%
TWD/USD rate for consolidation	29.44	29.57	+0.55	-0.5%

- * : Total shipment volume includes fine cut, cigars, pipe tobacco and snus, but does not include contract manufactured products

	FY ended Mar. 2012	FY ended Mar. 2013	Change	Rates of Change
<Pharmaceutical business>				
R&D expenses	24.9	30.7	+5.8	+23.2%

	FY ended Mar. 2012	FY ended Mar. 2013	Change	Rates of Change
<Beverage business>				
Sales of JT products	31.91	32.25	+0.34	+1.1%
Roots	19.32	18.54	-0.78	-4.0%

	As of end of Mar.2012	As of end of Mar.2013	Change
Number of beverage vending machines [*]	265,000	262,000	-3,000
JT-owned	35,000	39,000	+4,000
Combined	84,000	83,000	-1,000
Others	146,000	140,000	-6,000

- * : Beverage vending machines include vending machines for cans and packs, etc. and for cups owned by other companies and operated by our subsidiary. "JT-owned" vending machines are owned by JT. "Combined" vending machines are owned by our subsidiaries or affiliates, and focus on selling JT brand Beverage but also sell non-JT brand Beverage.

10. Number of employees^{*}

	As of end of Mar.2012	As of end of Mar.2013	Change
Number of employees (consolidated basis)	48,529	49,507	+978
Japanese domestic tobacco	11,092	11,043	-49
International tobacco	24,237	24,397	+160
Pharmaceutical	1,693	1,744	+51
Beverage	10,646	4,912	-
Processed foods	861	6,563	-
Other/Corporate	861	848	-13
Number of employees (parent company)	8,936	8,925	-11

- * : Number of employees is counted at working base, unless otherwise indicated.

Results for the FY ended Mar.2013

11.Account titles of P/L

(unit: JPY billion,%)

	FY ended Mar. 2012	FY ended Mar. 2013	Change	Rates of Change
Revenue	2,033.8	2,120.2	+86.4	+4.2%
Japanese domestic tobacco	646.2	687.1	+41.0	+6.3%
Core revenue *2	611.9	654.0	+42.1	+6.9%
International tobacco *1	966.3	1,010.7	+44.4	+4.6%
Core revenue *1*3	894.6	943.1	+48.5	+5.4%
Pharmaceutical	47.4	53.2	+5.8	+12.1%
Beverage	188.8	185.5	-3.3	-1.7%
Processed foods	170.7	168.7	-1.9	-1.1%
Others	14.6	15.0	+0.5	+3.2%
Cost of sales	892.0	899.4	+7.4	+0.8%
Gross profit	1,141.8	1,220.8	+79.0	+6.9%
Other Operating profit	48.5	42.2	-6.3	-13.1%
Gain on sale of tangible fixed assets, intangible assets and investment properties	30.1	35.2	+5.1	+16.8%
Others	18.4	7.0	-11.4	-62.1%
Share of profit of investments accounted for using the equity method	2.0	2.8	+0.7	+35.6%
SG&A	733.2	733.4	+0.2	+0.0%
Advertising expenses	21.5	20.6	-1.0	-4.5%
Promotion expenses	128.0	137.5	+9.5	+7.4%
Freight and storage cost	27.9	27.1	-0.8	-3.0%
Commissions	41.0	41.2	+0.2	+0.5%
Employee benefits expenses	235.1	241.4	+6.4	+2.7%
R&D expenses	51.5	56.9	+5.4	+10.5%
Depreciation and amortization	58.5	59.1	+0.5	+0.9%
Impairment losses	7.0	3.2	-3.8	-54.2%
Loss on sale of tangible fixed assets and investment properties	11.5	9.3	-2.2	-19.1%
Corporation fee for termination of leaf tobacco farming	12.5	0.0	-12.5	-100.0%
Others	138.7	137.2	-1.5	-1.1%
Operating profit	459.2	532.4	+73.2	+15.9%
Depreciation and amortization	118.8	116.5	-2.4	-2.0%
Adjustment items (income)	-29.9	-34.2	-4.3	-
Adjustment items (costs)	29.0	7.5	-21.5	-74.0%
Adjusted EBITDA *4	577.1	622.1	+45.0	+7.8%
Japanese domestic tobacco Operating profit	209.3	241.3	+32.0	+15.3%
Depreciation and amortization	39.6	41.1	+1.5	+3.8%
Adjustment items (income)	-	-1.2	-1.2	-
Adjustment items (costs)	13.4	0.2	-13.3	-98.9%
Adjusted EBITDA *4	262.3	281.3	+19.1	+7.3%
International tobacco Operating profit *1	252.4	289.5	+37.2	+14.7%
Depreciation and amortization *1	55.2	51.1	-4.1	-7.5%
Adjustment items (income) *1	-0.6	-0.4	+0.2	-
Adjustment items (costs) *1	7.7	3.1	-4.7	-60.5%
Adjusted EBITDA *1*4	314.8	343.3	+28.5	+9.1%
Pharmaceutical Operating profit	-13.5	-16.2	-2.7	-
Depreciation and amortization	3.5	3.4	-0.1	-0.7%
Adjusted EBITDA *4	-10.0	-12.7	-2.7	-
Beverage Operating profit	4.5	2.4	-2.1	-47.5%
Depreciation and amortization	10.1	10.1	0.0	0.2%
Adjusted EBITDA *4	14.6	12.4	-2.2	-14.8%
Processed Foods Operating profit	-2.5	-5.8	-3.4	-
Depreciation and amortization	7.4	7.1	-0.3	-4.0%
Adjustment items (costs)	0.4	6.0	+5.6	+1291.7%
Adjusted EBITDA *4	5.4	7.4	+1.9	+35.8%
Others/Elimination Operating profit	9.0	21.2	+12.1	+134.5%
Depreciation and amortization	3.1	3.6	+0.6	+18.9%
Adjustment items (income)	-29.4	-32.6	-3.3	-
Adjustment items (costs)	7.4	-1.7	-9.2	-
Adjusted EBITDA *4	-9.8	-9.6	+0.3	-

(unit: JPY billion,%)

	FY ended Mar. 2012	FY ended Mar. 2013	Change	Rates of Change
Financial income	5.6	5.5	-0.1	-2.0%
Dividend income	1.3	1.4	+0.1	+6.6%
Interest income	2.4	3.8	+1.4	+59.4%
Foreign exchange gain	-	-	-	-
Other	2.0	0.4	-1.6	-81.8%
Financial costs	23.4	28.3	+4.9	+20.8%
Interest expenses	14.4	10.1	-4.2	-29.5%
Pension/post retirement benefit	5.5	5.7	+0.2	+3.6%
Foreign exchange loss	2.7	11.3	+8.5	+312.1%
Other	0.8	1.2	+0.4	+45.7%
Profit before income taxes	441.4	509.6	+68.2	+15.5%
Income taxes	112.8	158.0	+45.2	+40.1%
Profit	328.6	351.5	+23.0	+7.0%
Owners of the parent company	320.9	343.6	+22.7	+7.1%
Non-controlling interests	7.7	7.9	+0.2	+3.0%

*1 : International tobacco business: FY ended Dec.2011 and FY ended Dec.2012

*2 : Excluding revenue from the distribution business of imported tobacco

*3 : Excluding revenue from the distribution, contract manufacturing and other peripheral businesses.

4 : Adjusted EBITDA = Operating profit + depreciation and amortization ± adjustment items (income and costs)
*Adjustment items (income and costs) = impairment losses on goodwill ± restructuring income and costs ± others

Results for the FY ended Mar.2013

12.Account titles of B/S

(unit: JPY billion)

	As of end of Mar.2012	As of end of Mar.2013	Change
Current assets	1,331.0	1,213.1	-117.9
Cash and cash equivalents	404.7	142.7	-262.0
Cash and deposits	108.8	121.8	+13.0
Short-term investment	295.9	21.0	-275.0
Trade and other receivables	327.8	387.8	+60.1
Notes and accounts receivable	311.8	368.0	+56.1
Other	17.7	21.5	+3.8
Allowance for doubtful accounts	-1.7	-1.6	+0.1
Inventories	446.6	473.0	+26.4
Merchandise and finished goods	112.5	133.1	+20.7
Leaf tobacco	294.8	292.0	-2.8
Other	39.3	47.9	+8.5
Other financial assets※3	27.4	29.1	+1.7
Other current assets	123.2	177.9	+54.7
Prepaid tobacco excise taxes	87.3	130.3	+43.1
Prepaid expenses	10.7	9.5	-1.2
Consumption taxes payable	6.7	10.6	+3.9
Other	18.5	27.4	+8.9
Non-current assets held for sale	1.4	2.6	+1.2
Non-current assets	2,336.0	2,639.5	+303.5
PP&E	619.5	672.3	+52.8
Cost	1,451.0	1,535.7	+84.7
Accumulated depreciation and accumulated impairment losses	-831.4	-863.4	-32.0
Land, buildings and structures	293.4	307.3	+13.9
Cost	594.0	615.7	+21.7
Accumulated depreciation and accumulated impairment losses	-300.5	-308.3	-7.8
Machinery and vehicles	239.2	271.2	+32.0
Cost	670.6	720.2	+49.5
Accumulated depreciation and accumulated impairment losses	-431.4	-449.0	-17.5
Tools, furniture and fixtures	55.8	65.3	+9.5
Cost	155.2	171.4	+16.1
Accumulated depreciation and accumulated impairment losses	-99.5	-106.1	-6.6
Construction in progress	31.1	28.5	-2.6
Cost	31.1	28.5	-2.6
Accumulated depreciation and accumulated impairment losses	-	-	-
Goodwill※1	1,110.0	1,316.5	+206.4
Cost	1,110.0	1,316.5	+206.4
Accumulated depreciation and accumulated impairment losses	-	-	-
Intangible assets	306.4	348.8	+42.4
Cost	848.0	933.1	+85.1
Accumulated depreciation and accumulated impairment losses	-541.5	-584.2	-42.7
Trademark※2	257.3	287.6	+30.3
Cost	663.9	733.7	+69.9
Accumulated depreciation and accumulated impairment losses	-406.5	-446.1	-39.6
Software	17.8	31.9	+14.1
Cost	97.3	111.6	+14.3
Accumulated depreciation and accumulated impairment losses	-79.6	-79.8	-0.2
Other	31.3	29.3	-2.0
Cost	86.8	87.7	+0.9
Accumulated depreciation and accumulated impairment losses	-55.5	-58.3	-2.9
Investment property	67.4	59.0	-8.4
Retirement benefit assets	14.4	14.8	+0.5
Investments accounted for using the equity method	18.4	22.9	+4.5
Other financial assets※3	67.5	71.8	+4.2
Deferred tax assets	132.2	133.3	+1.2
Total assets	3,667.0	3,852.6	+185.6

※3 Other financial assets(current & non-current)	94.9	100.9	+6.0
Derivative assets	1.9	4.1	+2.1
Equities	39.1	46.7	+7.6
Bonds	8.8	15.7	+6.8
Time deposits	24.3	5.3	-19.0
Other	34.9	38.2	+3.3
Allowance for doubtful accounts	-14.1	-9.1	+5.0

※1 Goodwill	1,067.5	1,274.0	+206.4
International tobacco cash-generating unit			
Goodwill processed food cash-generating unit	25.4	25.4	-

※2 Trademark International tobacco business	254.5	284.9	+30.3
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(unit: JPY billion)

	As of end of Mar.2012	As of end of Mar.2013	Change
Current liabilities	1,157.5	1,113.0	-44.5
Trade and other payables	298.7	312.7	+14.1
Notes and accounts payable	165.4	173.5	+8.0
Other payables	71.7	71.3	-0.4
Other	61.5	68.0	+6.5
Bonds and borrowings※4	211.8	44.3	-167.5
Income taxes payable	42.5	85.7	+43.2
Other financial liabilities※4	8.0	8.6	+0.5
Provisions	5.7	5.3	-0.4
Other current liabilities※5	590.7	656.3	+65.6
Liabilities directly associated with non-current assets held-for-sale	0.1	0.1	-
Non current liabilities	794.9	847.7	+52.8
Bonds and borrowings※4	279.7	270.4	-9.4
Other financial liabilities※4	21.0	18.8	-2.1
Retirement benefit liabilities	315.0	343.1	+28.1
Provisions	4.4	4.8	+0.3
Other non-current liabilities※5	92.2	113.2	+21.0
Deferred tax liabilities	82.5	97.3	+14.8
Liabilities	1,952.4	1,960.6	+8.2
Equity	1,714.6	1,892.0	+177.4
Share capital	100.0	100.0	-
Capital surplus	736.4	736.4	+0.0
Treasury shares	-94.6	-344.6	-250.0
Other components of equity	-376.4	-155.5	+220.9
Retained earnings	1,268.6	1,469.7	+201.2
Non-controlling interests	80.6	85.9	+5.3
Total liabilities and equity	3,667.0	3,852.6	+185.6

※4 Bonds and borrowings(including other financial liabilities)(current & non-current)	520.5	342.1	-178.5
Derivative liabilities	5.1	3.8	-1.3
Short-term borrowings	43.5	23.8	-19.6
Commercial paper	-	-	-
Current portion of long-term borrowings	78.2	20.5	-57.8
Current portion of bonds	90.1	-	-90.1
Long-term borrowings	49.3	33.2	-16.1
Bonds	230.5	237.2	+6.8
Other	23.9	23.6	-0.3

※5 Other liabilities(current & non-current)	683.0	769.5	+86.6
Tobacco excise taxes payable	240.5	285.8	+45.2
Tobacco special excise taxes payable	15.1	14.5	-0.6
Tobacco local excise taxes payable	191.4	182.4	-9.0
Consumption taxes payable	83.2	85.4	+2.2
Provision for bonuses	39.7	45.5	+5.7
Compensated absences	18.6	19.8	+1.3
Other	94.5	136.3	+41.7

1. Summary of Business Performance

(unit: JPY billion,%)

	FY03/2013	FY03/2014	Change	Rates of Change
Revenue	2,120.2	2,368.0	+247.8	+11.7%
Operating profit	532.4	616.0	+83.6	+15.7%
Profit before income taxes	509.6	598.0	+88.4	+17.4%
Profit	351.5	423.0	+71.5	+20.3%
Profit(attributable to owners of the parent)	343.6	415.0	+71.4	+20.8%
Basic EPS(yen) ^{*1}	181.07	228.34	+47.26	+26.1%
Adjusted EBITDA ^{*2}	622.1	730.0	+107.9	+17.3%
DPS(yen)	68.00	92.00	+24.00	+35.3%
Payout ratio ^{*3}	37.6%	40.3%	+2.7%pt	-
ROE(attributable to owners of the parent) ^{*4}	20.0%	20.4%	+0.4%pt	-

(Reference)

	FY03/2013	FY03/2014	Change	Rates of Change
Adjusted EBITDA at constant rates of exchange ^{*5}	622.1	660.0	+37.9	+6.1%

- *1 :Based on profit attributable to owners of the parent
- *2 :Adjusted EBITDA = Operating profit + depreciation and amortization ± adjustment items (income and costs)^{*}
^{*}Adjustment items (income and costs) = impairment losses on goodwill ± restructuring income and costs ± others

- *3 :Payout ratio=Dividend per share/Basic EPS
- *4 :Based on Profit attributable to owners of parent company and Equity attributable to owners of the parent company
- *5 :FY03/2013-Actual
FY03/2014- Regarding international tobacco business, at the same foreign exchange rates between local currency vs USD and JPY vs USD as FY03/2013

2. Breakdown of Revenue

(unit: JPY billion,%)

	FY03/2013	FY03/2014	Change	Rates of Change
Revenue	2,120.2	2,368.0	+247.8	+11.7%
Japanese domestic tobacco	687.1	703.0	+15.9	+2.3%
Core revenue ^{*1}	654.0	669.0	+15.0	+2.3%
International tobacco ^{*2}	1,010.7	1,244.0	+233.3	+23.1%
Core revenue ^{*3}	943.1	1,182.0	+238.9	+25.3%
Pharmaceutical	53.2	59.5	+6.3	+11.9%
Beverage	185.5	187.0	+1.5	+0.8%
Processed Food	168.7	159.0	-9.7	-5.8%
Others	15.0	14.0	-1.0	-6.8%

(Reference)

	2012	2013	Change	Rates of Change
International tobacco				
Core revenue ^{*2+3}	11,817	12,450	+633	+5.4%
International tobacco				
Core revenue at constant rates of exchange ^{*2+3+4}	11,655	12,550	+895	+7.7%

- *1 :Excluding revenue from the distribution business of imported tobacco
- *2 :International tobacco business: Year ended 2012 and year ending 2013
- *3 :Includes revenue from waterpipe tobacco, but excludes revenues from distribution, contract manufacturing and other peripheral businesses.
- *4 :Constant currency measures are computed by restating current year results at the previous year's foreign currency exchange rates. In 2013, market results/forecast, subject to highly volatile currency, significant currency devaluation and/or highly inflationary environments, are reported at actual/assumed exchange rates for figures both on a reported and at constant rates of exchange. Accordingly, 2012 results at constant rates of exchange have been restated for such markets. Results at constant rates of exchange should be considered in addition to, not as a substitute for, results reported in accordance with IFRS.

3. OP & Adjusted EBITDA by business segment^{*1}

(unit: JPY billion,%)

	FY03/2013	FY03/2014	Change	Rates of Change
Consolidated Operating profit	532.4	616.0	+83.6	+15.7%
Japanese domestic tobacco	241.3	246.0	+4.7	+2.0%
International tobacco ^{*2}	289.5	375.0	+85.5	+29.5%
Pharmaceutical	-16.2	-14.0	+2.2	-
Beverage	2.4	0.5	-1.9	-78.8%
Processed Food	-5.8	2.0	+7.8	-
Other/Elimination	21.2	6.0	-15.2	-71.6%
Adjusted EBITDA ^{*1}	622.1	730.0	+107.9	+17.3%
Japanese domestic tobacco ^{*1}	281.3	291.0	+9.7	+3.4%
International tobacco ^{*1+2}	343.3	440.0	+96.7	+28.2%
Pharmaceutical ^{*1}	-12.7	-10.5	+2.2	-
Beverage ^{*1}	12.4	10.5	-1.9	-15.5%
Processed Food ^{*1}	7.4	9.5	+2.1	+29.1%
Other/Elimination ^{*1}	-9.6	-10.5	-0.9	-

(Reference)

	2012	2013	Change	Rates of Change
International tobacco Adjusted EBITDA ^{*1+2}	4,302	4,630	+328	+7.6%
International tobacco Adjusted EBITDA at constant rates of exchange ^{*1+2+3}	4,147	4,630	+483	+11.6%

- *1 :Adjusted EBITDA = Operating profit + depreciation and amortization ± adjustment items (income and costs)^{*}
^{*}Adjustment items (income and costs) = impairment losses on goodwill ± restructuring income and costs ± others
- *2 :International tobacco business: Year ended 2012 and year ending 2013
- *3 :Constant currency measures are computed by restating current year results at the previous year's foreign currency exchange rates. In 2013, market results/forecast, subject to highly volatile currency, significant currency devaluation and/or highly inflationary environments, are reported at actual/assumed exchange rates for figures both on a reported and at constant rates of exchange. Accordingly, 2012 results at constant rates of exchange have been restated for such markets. Results at constant rates of exchange should be considered in addition to, not as a substitute for, results reported in accordance with IFRS.

4. Consolidated cash flows data

(unit: JPY billion,%)

	FY03/2013	FY03/2014	Change	Rates of Change
FCF [*]	316.0	280.0	-36.0	-11.4%

- * : FCF is total of cash flows from operating activities and investing activities excluding the following items:
Cash flows from interest and dividends received and its tax effect / interest paid and its tax effect in operating activities.
Cash flows from purchase of short-term investment securities, proceeds from sale and redemption of short-term investment securities, purchase of investment securities, proceeds from sale of investment securities, payments into time deposits, proceeds from withdrawal of time deposits and others in investing activities (those from purchase/sale of securities held for business operation are not included here).

5. Capital expenditures

(unit: JPY billion,%)

	FY03/2013	FY03/2014	Change	Rates of Change
Capital expenditures	137.4	195.0	+57.6	+41.9%
Japanese domestic tobacco	71.2	63.0	-8.2	-11.6%
International tobacco [*]	37.5	94.0	+56.5	+150.6%
Pharmaceutical	5.8	4.0	-1.8	-30.6%
Beverage	12.0	12.0	-0.0	-0.2%
Processed Food	4.6	8.0	+3.4	+74.1%
Other/Elimination and corporate	6.3	14.0	+7.7	+121.5%

- * : International business: Year ended 2012 and year ending 2013

6. Business data

	FY03/2013	FY03/2014	Change	Rates of Change
[Japanese domestic tobacco business]				
JT sales volume [*]	116.2	119.0	+2.8	+2.4%

- * : Sales volume of domestic duty-free and China division is excluded

	2012	2013	Change	Rates of Change
[International tobacco business] ^{*1}				
Total shipment volume ^{*2}	436.5	432.0	-4.5	-1.0%
GFB shipment volume	268.8	273.0	+4.2	+1.6%
JPY/USD rate for consolidation	79.81	95.00	+15.19	+16.0%
RUB/USD rate for consolidation	31.07	31.00	-0.07	-0.2%
GBP/USD rate for consolidation	0.63	0.66	+0.03	+4.4%
EUR/USD rate for consolidation	0.78	0.80	+0.02	+2.7%
CHF/USD rate for consolidation	0.94	0.96	+0.02	+2.3%
TWD/USD rate for consolidation	29.57	29.71	+0.14	+0.5%

- *1 : International business: Year ended 2012 and year ending 2013
- *2 : Total shipment volume includes fine cut, cigars, pipe tobacco and snus, but excludes contract manufactured products and waterpipe tobacco

Data of JT products in Japanese market

* Excludes sales from the China, Hong Kong, and Macau markets and domestic duty-free sales.

Japanese Domestic Tobacco Business Results

1. Quarterly Sales Volume (billions of cigarettes)

	Apr-Jun	Jul-Sep	Oct-Dec	Jan-Mar	Total
FY 03/2011	36.0	50.6	20.3	27.8	134.6
FY 03/2012	18.4	32.5	30.0	27.5	108.4
FY 03/2013	29.4	30.2	29.8	26.8	116.2

2. Quarterly Retail Price Sales (billions of JPY)

	Apr-Jun	Jul-Sep	Oct-Dec	Jan-Mar	Total
FY 03/2011	535.5	753.1	413.4	567.0	2,269.0
FY 03/2012	373.6	662.5	610.0	560.3	2,206.5
FY 03/2013	596.7	612.9	605.2	544.2	2,358.9

* Retail price sales = sales volume × fixed retail price.

3. Quarterly Net Sales Excluding Excise Tax/ Revenue Per Thousand Cigarettes (JPY)

	Apr-Jun	Jul-Sep	Oct-Dec	Jan-Mar	Total
FY 03/2011	4,054	4,052	5,539	5,533	4,582
FY 03/2012	5,444	5,516	5,509	5,515	5,502
FY 03/2013	5,508	5,505	5,499	5,498	5,503

* Net sales excluding excise tax /Revenue per thousand cigarettes = (retail price sales-retailer margins-consumption tax-excise taxes) /sales volume×1,000

4. Quarterly JT Market Share (%)

	Apr-Jun	Jul-Sep	Oct-Dec	Jan-Mar	Total
FY 03/2011	64.5	65.1	62.7	62.6	64.1
FY 03/2012	40.8	59.3	58.7	59.2	54.9
FY 03/2013	59.4	59.7	59.6	59.5	59.6

Market Share in Growing Segments

1. 1mg Tar

(1) JT 1mg Tar Product Share (%)

	Apr-Jun	Jul-Sep	Oct-Dec	Jan-Mar	Total
FY 03/2011	15.7	15.2	15.2	15.4	15.4
FY 03/2012	9.8	14.1	14.1	14.3	13.2
FY 03/2013	14.4	14.2	14.3	14.4	14.3

(2) 1mg Market Share (%)

	Apr-Jun	Jul-Sep	Oct-Dec	Jan-Mar	Total
FY 03/2011	24.7	23.7	24.0	24.3	24.2
FY 03/2012	24.7	23.9	24.1	24.4	24.3
FY 03/2013	24.5	24.2	24.4	24.5	24.4

(3) JT Share in 1mg Tar Segment (%)

	Apr-Jun	Jul-Sep	Oct-Dec	Jan-Mar	Total
FY 03/2011	63.6	64.1	63.3	63.5	63.7
FY 03/2012	39.6	58.8	58.5	58.7	54.2
FY 03/2013	58.8	58.7	58.6	58.8	58.7

2. Menthol

(1) JT Menthol Product Share (%)

	Apr-Jun	Jul-Sep	Oct-Dec	Jan-Mar	Total
FY 03/2011	8.4	8.0	8.7	8.4	8.3
FY 03/2012	3.2	6.3	6.6	6.9	5.8
FY 03/2013	7.5	7.6	7.4	7.7	7.6

(2) Menthol Market Share (%)

	Apr-Jun	Jul-Sep	Oct-Dec	Jan-Mar	Total
FY 03/2011	23.9	23.3	25.7	25.3	24.3
FY 03/2012	26.1	24.2	25.1	25.0	25.1
FY 03/2013	25.6	25.7	25.6	26.2	25.8

(3) JT Share in Menthol Segment (%)

	Apr-Jun	Jul-Sep	Oct-Dec	Jan-Mar	Total
FY 03/2011	35.2	34.1	33.8	33.3	34.2
FY 03/2012	12.4	26.2	26.4	27.5	23.2
FY 03/2013	29.3	29.4	28.9	29.6	29.3

3. JPY 440 or above*

(1) JT JPY 440 or above Product Share (%)

	Apr-Jun	Jul-Sep	Oct-Dec	Jan-Mar	Total
FY 03/2011	5.1	4.7	17.4	16.7	9.3
FY 03/2012	8.1	15.1	14.9	14.8	13.4
FY 03/2013	14.7	14.8	14.5	14.5	14.6

(2) JPY 440 or above Product Market Share (%)

	Apr-Jun	Jul-Sep	Oct-Dec	Jan-Mar	Total
FY 03/2011	24.7	24.4	38.3	37.4	29.4
FY 03/2012	37.6	36.4	37.0	36.6	36.9
FY 03/2013	36.6	36.9	39.5	36.6	36.7

(3) JT Share in JPY 440 or above Segment (%)

	Apr-Jun	Jul-Sep	Oct-Dec	Jan-Mar	Total
FY 03/2011	20.7	19.5	45.5	44.7	29.1
FY 03/2012	21.5	41.3	40.2	40.4	36.2
FY 03/2013	40.1	40.2	36.7	39.7	39.9

* JPY 320 or above, before Oct 2010

4. Quarterly D-spec Product Share (%)

	Apr-Jun	Jul-Sep	Oct-Dec	Jan-Mar	Total
FY 03/2011	10.91	10.47	10.44	11.02	10.70
FY 03/2012	5.41	9.19	9.29	9.86	8.51
FY 03/2013	9.70	9.76	9.62	9.63	9.68

Japan Tobacco Inc. Critical Development as of April 25, 2013

<In-house development>

Code (Generic Name)	Potential Indication/Dosage form	Mechanism		Phase	Origin
JTK-303 (elvitegravir)	HIV infection /Oral	HIV Integrase inhibitor	Integrase inhibitor which works by blocking integrase, an enzyme that is involved in the replication of HIV	Preparing to file (Japan)	In-house
JTT-705 (dalcetrapib)	Dyslipidemia /Oral	CETP modulator	Decreases LDL (bad cholesterol) and increases HDL(good cholesterol) by modulation of CETP activity	Phase2 (Japan)	In-house
JTT-302	Dyslipidemia /Oral	CETP inhibitor	Decreases LDL and increases HDL by inhibition of CETP	Phase2 (Overseas)	In-house
JTT-751 (ferric citrate)	Hyperphosphatemia /Oral	Phosphate binder	Decreases serum phosphorous level by binding phosphate derived from dietary in the gastrointestinal tract	NDA filed (Japan)	In-license (Keryx Biopharmaceuticals) Co-development with Torii
JTT-851	Type 2 diabetes mellitus /Oral	G protein-coupled receptor 40 agonist	Decreases blood glucose by stimulation of glucose-dependent insulin secretion	Phase2 (Japan) Phase2 (Overseas)	In-house
JTZ-951	Anemia associated with chronic kidney disease /Oral	HIF-PHD inhibitor	Increases red blood cells by stimulating production of erythropoietin, an erythropoiesis- stimulating hormone, via inhibition of HIF-PHD	Phase1(Japan) Phase1(Overseas)	In-house
JTE-051	Autoimmune/allergic diseases /Oral	Interleukin-2 inducible T cell kinase inhibitor	Suppresses overactive immune response via inhibition of the signal to activate T cells related to immune response	Phase1(Overseas)	In-house
JTE-052	Autoimmune/allergic diseases /Oral	JAK inhibitor	Suppresses overactive immune response via inhibition of Janus kinase (JAK) related to immune signal.	Phase1(Japan)	In-house

* Based on the first dose

<Licensed compounds>

Compound (JT's code)	Licensee	Mechanism		Note
elvitegravir (JTK-303)	Gilead Sciences	HIV Integrase inhibitor	Integrase inhibitor which works by blocking integrase, an enzyme that is involved in the replication of HIV	<u>Elvitegravir</u> : U.S. and EU marketing approvals submitted <u>Stribild</u> : EU marketing approval submitted <u>New Single Tablet Regimen</u> : Phase3
trametinib	GlaxoSmithKline	MEK inhibitor	Inhibits cellular growth by specifically inhibiting the activity of MAPK/ERK Kinase (MEK1/2)	<u>Metastatic melanoma</u> U.S. and EU marketing approval submitted <u>Metastatic melanoma, trametinib+dabrafenib</u> EU marketing approval submitted
dalcetrapib (JTT-705)	Roche	CETP modulator	Decreases LDL (bad cholesterol) and increases HDL(good cholesterol) by modulation of CETP activity	Roche announced the termination of the development of dalcetrapib on May 7, 2012.
Anti-ICOS monoclonal antibody	MedImmune	ICOS antagonist	Suppresses overactive immune response via inhibition of ICOS which regulates activation of T cells	

Updates since the previous announcement on January 31, 2013:

- JT obtained marketing approval of Stribild Combination Tablets in Japan on March 25, 2013.