

Corporate Social Responsibility

In the area of environmental protection efforts and social contribution activities, the JT Group is actively engaged in reducing its impact on the environment, contributing to local and international communities, and promoting youth education and other activities. Our aim is to bring about a “harmony” between our corporate activities and the environment, and a “feeling of mutual coexistence” as a good neighbor with local communities in all countries and regions where we operate. The afforestation and forest conservation projects launched last year are part of this commitment.



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JT recognizes that timely and accurate decision-making and execution of business tasks are crucial to our ability to increase our corporate value and respond appropriately to changes in our business and social environments. Based on this recognition, JT takes a proactive approach to corporate governance, as it believes that strong corporate governance is one of the major tasks of management.

Corporate Governance

State of Implementation of Measures Concerning Corporate Governance

Corporate governance system

i. Organization in the company

The Board of Directors meets once a month as a rule and at other times as needed to decide on issues as determined by law and other important items, to supervise the conduct of the company's affairs, and to receive reports from the directors on the status of the company's business.

Aiming at continuous improvement in the quality of its business as a whole, JT has an Executive Officer System, where executive officers appointed by the Board of Directors pursue their responsibilities pursuant to the company-wide business strategy under the transferred authorities in each area. In addition, since June 2006, the Chairman of the Board has been positioned as a Non-Executive Director, concentrating on his role of management oversight.

For further enhancement of corporate governance, JT has established the Advisory Committee with five external advisors, to have proposals concerning such important matters as the medium-to long-term management and relevant issues from a broader range of perspectives.

The Executive Committee, comprising the company's president

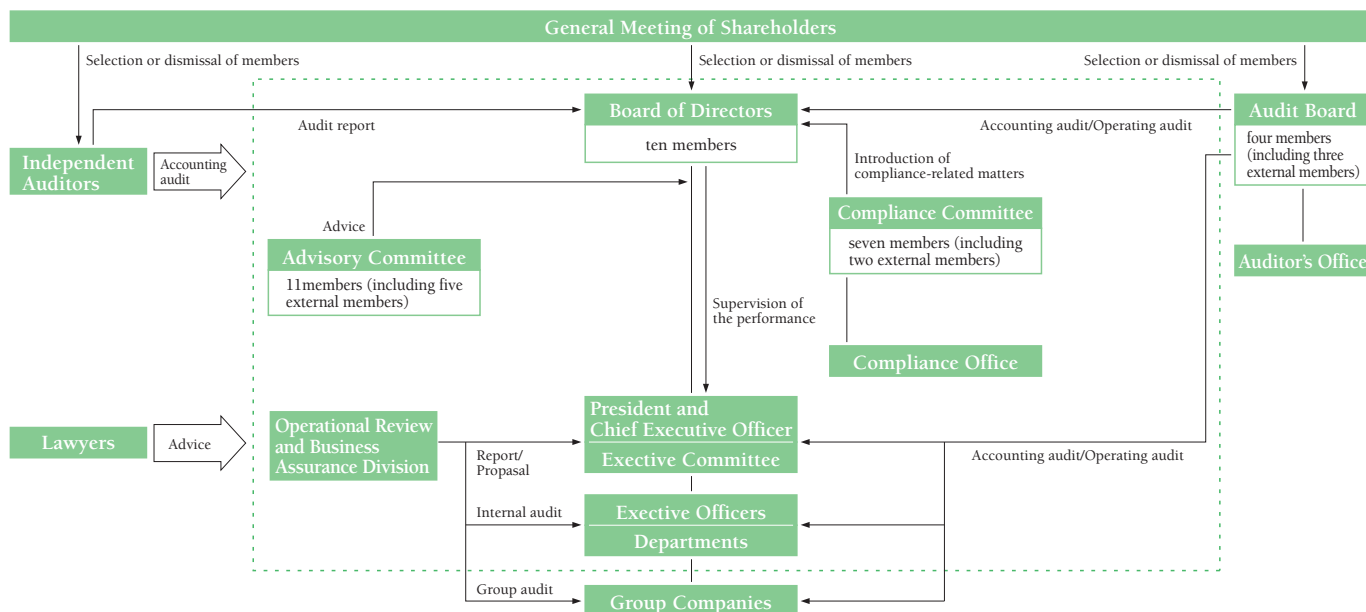
and other members appointed by the president, discusses important management issues, particularly management policy and basic plans regarding overall business operations, in addition to items brought to the attention of the Board of Directors.

JT has an Audit Board under which corporate auditors working as an independent organization with a mandate from the shareholders scrutinize the company's directors and executive officers in the execution of their duties in an attempt to maintain and improve the company's sound management and social credibility.

ii. Internal control system and risk management system

So far, JT has been operating a system for assuring the propriety of its business by working on the enhancement of compliance, internal auditing, and risk management, etc. In addition, as a company with an Audit Board, JT is committed to ensuring the effectiveness of auditors' inspections by, for example, appropriately reporting to auditors.

JT will proceed with these efforts while continuously reevaluating the present system and, in order to ensure the appropriate execution of its business operations, it will also make a sustained effort to maintain and improve the company's system, as follows.



1. System to ensure that directors and employees perform their duties in accordance with the law and the company’s articles of incorporation

With regard to the compliance system, JT has made an action guide for directors, executive officers and employees to help ensure that they act in accordance with the law, the company’s articles of incorporation, the social code, etc. For thorough adherence to the action guide, JT has established the Compliance Committee with external specialists, which is directly linked to the Board of Directors. JT has also committed to making its compliance more effective through efforts to equip and improve the company-wide system, represented by the establishment of the Compliance Office, and through implementation of education activities, such as training targeted at executives and regular employees.

As for the internal report system, JT has an inquiry counter within the company. The Compliance Office investigates the received reports, discusses them with related departments and takes preventative measures as a whole company. Furthermore, when important issues are reported through the system, they are brought to the Compliance Committee for discussion.

The internal auditing system is controlled by the Operational Review and Business Assurance Division with 19 members, which studies and evaluates the execution conditions of the management and operation system, and of the company’s business from the standpoints of legality and rationality, with the aim of preserving the company’s assets and improving management efficiency.

2. System to store and manage information on the directors’ execution of their duties

The minutes of the Annual General Meeting of Shareholders, meetings of the Board of Directors, and meetings of the Executive Committee are appropriately stored and managed in line with in-house regulations.

JT appropriately stores and manages information on other important business execution and decision-making, such as the signing of contracts, by clarifying which department is responsible for its

storage and management and establishing rules about the decision-making process, procurement and accounting process.

3. Regulations concerning loss risk management and other systems

With respect to monetary and financial risks, JT has internal regulations and makes reports to the Executive Committee on a quarterly basis.

In order for the company to grasp and report on other risks based on individual departmental responsibility and authority, as determined under the Responsibility and Authority Regulation, each department takes appropriate management action, compiles a report, and depending on the degree of importance, brings the matter in question to the attention of the Executive Committee.

JT has assigned a sufficient staff to the Operational Review and Business Assurance Division, which functions as the company’s internal auditing organization. This division examines and evaluates the internal management systems of JT and the other JT Group companies with a view to assessing matters of importance and risk from an objective standpoint independent of the company’s other business execution organizations, and reports its findings and proposals to the president.

As a preparatory measure for emergencies, JT has produced a response manual concerning emergency management and disaster countermeasures. In the event of an emergency or a disaster, JT is prepared to establish an emergency project system with the Corporate Strategy Division as the executive office, and then deal promptly and appropriately with the situation under the leadership of senior management and in close cooperation with related divisions.

4. System to ensure that directors perform their duties efficiently

Board of Directors meetings are held once a month as a rule and at other times as required to decide on issues as defined by law as well as other important items and to supervise the execution of business. The Executive Committee, comprising the company’s president and other members appointed by the president, meets to discuss impor-

tant management issues, particularly issues of management policy and basic plans regarding overall business operations, in addition to items brought to the attention of the Board of Directors.

With the Executive Office System, the executive officers appointed by the Board of Directors are pursuing their responsibility pursuant to the company-wide business strategy under the transferred authorities in each area.

Moreover, in order to ensure that the company's various operations contribute to the efficiency and flexibility of the company's overall business, basic items are determined in accordance with organization and office-related internal regulations and by clearly specifying the roles of each division. Also the divisions responsible for the execution of each business operation are clearly identified in the Responsibility and Authority Regulations.

5. System to ensure the appropriateness of business within the JT Group

The JT Group promises to deliver "irreplaceable delight" to all stakeholders, and it has adopted the JT Group Mission "the JT Branding Declaration" as a shared aim within the group. In conducting group management, JT defines the functions, regulations, etc., that are common to all companies within the group based on a group management policy, through which it intends to realize optimization throughout the entire JT Group.

Furthermore, all the companies in the JT Group have cooperated in developing the compliance system (including the report system), the internal auditing system, and the financial management system.

6. System for assisting auditors with their duties and reporting to auditors, and other systems to ensure that audits are performed effectively

JT has installed an Auditor's Office with a sufficient staff as an organization to support the auditors in their work. In addition, the company has decided to reexamine its staff placement situation when needed after discussions with the Audit Board. Concerning the determination of the Auditor's Office personnel, it has been decided to ensure its independence from the Board of Directors by entrusting the Audit Board with the task.

Directors and executive officers make reports concerning relevant facts in cases where they consider such facts have the potential to significantly harm the company. Moreover, it has been decided that directors, executive officers and employees must make reports to the Audit Board when they find evidence of malfeasance in financial documents or serious breaches of the law or the company's articles of incorporation and other important items concerning the management of other companies.

It has been decided that auditors may attend meetings of the Board of Directors and other important meetings. Almost all of the meetings of Executive Committee are attended. When the directors, executive officers or employees are asked by auditors to let them see important documents, take part in on-the-spot surveys, or make reports, they respond promptly and appropriately.

In addition, the directors cooperate with audits undertaken by auditors, and the miscellaneous expenses for such audits is provided appropriately in order to guarantee the effectiveness of the audit. The Operational Review and Business Assurance Division and the Compliance office provide cooperation by exchanging information with the auditors.

iii. Corporate auditors' audit and independent auditors' audit status

<Corporate Auditors' Audit and Independent Auditors' Audit>

JT has an internal auditing system under which corporate auditors

working as an independent organization with a mandate from the shareholders monitor the company's directors and executive officers in executing their duties, to maintain and improve the company's sound management and social credibility.

JT has engaged Deloitte Touche Tohmatsu (DTT) to audit its financial statements for FY 3/2006, as required by the "Law Concerning Special Measures under the Commercial Code with respect to Audit, etc. of Corporations (Kabushiki-Kaisha)", the Company Law, and the Securities and Exchange Law, and the audit was carried out by the following audit partners.

<Certified Public Accountants engaged in independent auditors' audit>
Katsuji Hayashi (four years), Tatsuro Igarashi (one year), Eiji Yoshida (two years), Shuichi Momoki (one year)

*Figures in parentheses represent the number of years each audit partner has served on the audit engagement as a partner.

<Assistants for independent auditors' audit>

Certified public accountants: 9 people, junior certified public accountants: 3 people, others: 4 people

While audits by corporate auditors, internal audits, and independent auditors are conducted in an independent and appropriate manner, efforts to strengthen their mutual cooperation are made by sharing information on the audit results among them.

iv. Remuneration for directors and corporate auditors, and audit fees, etc.

Remuneration for directors and corporate auditors, and fees paid to DTT for audit assurance, etc. for FY3/2006 were as follows.

<Remuneration for Directors and Corporate Auditors >

Remuneration paid by JT to directors and corporate auditors

Directors	10 people	¥259 million
Corporate auditors	5 people	¥ 62 million

*As of the end of the current fiscal year, there were 9 directors and 4 auditors, as one director and one auditor resigned during the year.

<Fees for Audit Assurance, etc.>

The amounts of remuneration paid in respect of auditing certification are based on the Law for Special Provisions to the Commercial Code concerning Audits, etc. of Kabushiki-kaisha and the Securities and Exchange Law and are as specified in the auditing contracts with DTT entered into by JT and its consolidated subsidiaries.

(Items based on the contract entered into by JT)

Fees for audit assurance based on the Article 2-1 of the Certified Public Accountant Law	¥ 98 million
Fees for other services	¥ 18 million
Total	¥116 million

(Items based on the contract entered into by JT and its consolidated subsidiaries)

Fees for audit assurance based on the Article 2-1 of the Certified Public Accountant Law	¥173 million
Fees for other services	¥ 21 million
Total	¥195 million

Overview of outside corporate auditors' stakes in JT

JT has three outside corporate auditors. One of them, Mr. Hiroyoshi Murayama, is a director of Mitsubishi Electric Corporation, which has minor dealings with JT. However, the outside auditor himself has no direct interest in these dealings.

There is no corresponding information concerning the other two outside corporate auditors.

The JT Group is committed to making social contributions on a continual basis through a variety of corporate activities, with the aim of serving as a good corporate citizen acclaimed by society. We are continually engaged in activities with a focus on bringing about “harmony” between our corporate activities and the environment, and a “feeling of mutual coexistence” as a good neighbor with local communities in all countries and regions where we operate.

Activities Contributing to the Environment and Society

Approaches to Environmental Protection

With the establishment of the JT Global Environmental Charter in May 1995, the entire company joined together and engaged in dealing with global environmental problems as one of the most important management tasks. Moreover, in April 2003, we expanded the scope of our environmental management activities to include other companies in the JT Group* and then created the JT Group Environmental Charter in March 2004.

JT has also been carrying out concrete activities in pursuit of the goals outlined in the JT Environmental Action Plan, which contains medium-term targets for promoting environmental preservation in accordance with the JT Global Environmental Charter. However, we have reexamined the Environmental Action Plan, along with the expansion of the Charter’s range to encompass the entire JT Group. From FY 3/2006, we are conducting activities on a Group-wide basis aimed at achieving the medium-term targets under the JT Group Environmental Action Plan (2005~2008).

In autumn 2006, we plan to publish the “JT Social and Environmental Report 2006” (tentative title) on our activities in

FY3/2006.

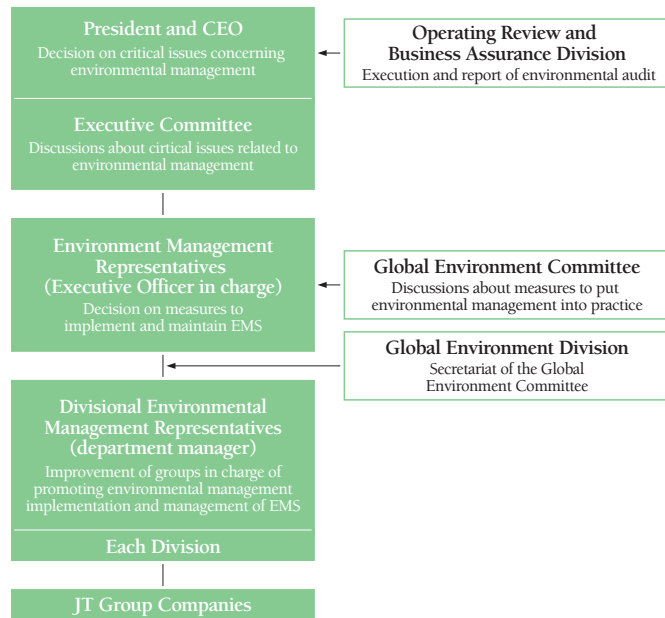
* Number of companies in the scope of the JT Group environmental management efforts: 20 companies in Japan including JT and an overseas company

JT Group environmental charter (established May 29, 1995; revised March 29, 2004)

Basic principle

We at JT believe that corporate social responsibility means to provide “Irreplaceable Delight” to customers, shareholders, employees and society through our operations, and to serve as a good corporate citizen acclaimed by society. We also recognize active involvement in environmental issues as a primary theme in terms of corporate social responsibility. Based on this policy, we will act as a good neighbor with local communities in all countries and regions where we operate, and will strive to bring about harmony between our corporate activities and the environment, hoping to leave a healthy and productive environment to future generations.

JT Group Environmental Management Promotion System



JT Group Environmental Policy

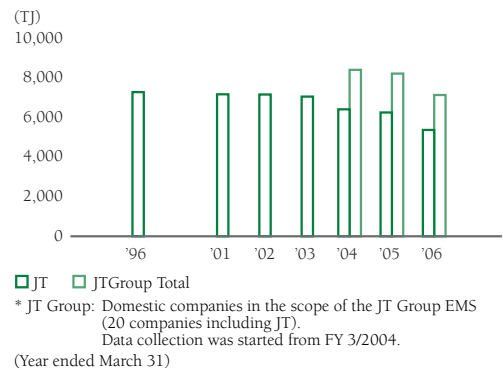
1. Management System
We will continually improve our environmental management system to enhance our environmental performance.
2. Compliance
We will comply with all environmental laws in all countries and regions where we operate.
3. Products and Services
We will continually strive to reduce environmental impact in the process of product development and services.
4. Process and Supply chain
We will reduce environmental impact and optimize the use of natural resources at all stages of our activities, from procurement of raw materials and manufacturing, through to sales and distribution.
5. Environmental Education
We will develop a culture of environmental awareness through education and training; encouraging employees to take personal responsibility for their actions to create a better environment, and helping suppliers to understand our Charter.
6. Environmental Communication
We will make an appropriate report of our environmental performance and keep good relationships with our stakeholders through active communication.

Environmental management system

To make our environmental protection efforts even stronger and more effective, we have made progress in developing the JT Group Environmental Management System.

We have introduced the Environmental Management System at our places of business in accordance with the significance of the

Trends in Energy Use



environmental impact of our business activities, products and services, and the size and function of each business location.

In this context, all of JT's tobacco factories and the vending machine factory had obtained ISO14001 certification by FY 3/2004, while our branch offices and laboratories had developed ISO14001-compatible systems by FY 3/2005.

Moreover, the factories of other JT Group companies are gradually obtaining ISO14001 certification, and non-production companies within the Group are proceeding with the development of ISO14001-compatible environmental management systems or simple environmental management systems that include the development and implementation of the Environmental Action Plan.

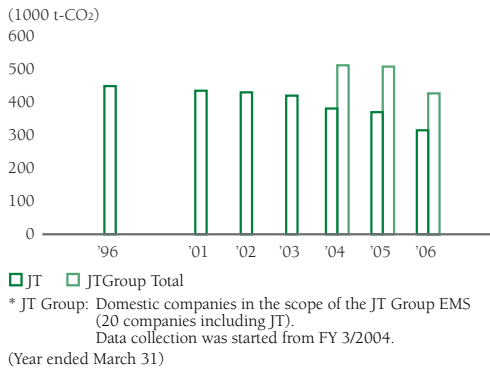
In April 2004, we put into operation the JT Group's environmental information system, "ECO-NET" for the purpose of monitoring the overall level of our environmental activities and for sharing information.

In addition, JT International S.A. has also obtained ISO14001 certification at 15 factories worldwide.

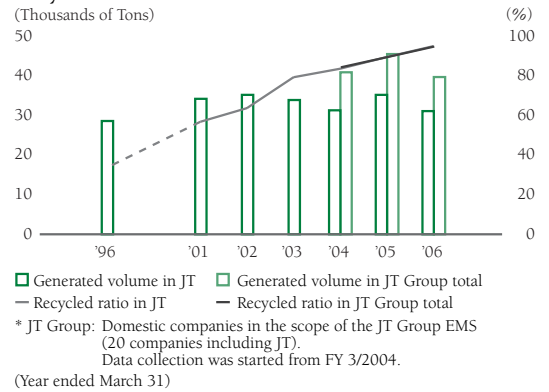
Approaches to preventing global warming

JT has been striving to reduce greenhouse gas emissions and to prevent global warming by saving energy, switching to alternative fuels, promoting nighttime electricity use and introducing low emission vehicles. As a result of these efforts, in FY 3/2006, we were able to reduce our CO₂ emissions by about 130,000 tons (30%) in comparison with FY 3/1996. In addition, the CO₂ emissions of the JT Group as a whole declined in FY 3/2006 by about 80,000 tons (16%) in comparison with FY 3/2004. In FY 3/2007 as well, we will continue making efforts to achieve further reductions.

Trends in CO₂ Emission



Trends in Generated Volume and Recycled Ratio of Waste



Approaches to saving resources and recycling

With the aim of eventually achieving zero emissions, JT is promoting the construction of a “recycling-based” system that recognizes the value of limited resources. In this context, we are placing an emphasis on reduction, reuse and recycling in all our activities, from the supply of raw materials to production and sales activities extending even to disposal by our customers after use.

JT’s recycling ratio has improved remarkably in recent years to the point where we now recycle around 95% of all materials. The recycling ratio of the entire JT Group is also now around 95%.

Approaches to reducing environmental impacts

JT is making consistent efforts to reduce or prevent emissions of all sorts of pollutants to minimize the impact of our business activities on our employees and associates, people who live in the vicinity of our business locations, and the global environment.

Even before 1995, we were taking steps to prevent pollution, primarily air and water pollution, associated with our operations. More recently, however, we have come to recognize new kinds of environmental problems. As such, we have begun scrapping old incinerators and replacing them with more advanced incinerators to curb dioxin emissions. We have also abolished air-conditioning refrigerators that use specified CFCs, and we are making progress in recovering and detoxifying specified CFCs used in beverage vending machines. On the transportation front, we have been introducing vehicles powered by natural gas and other low emission fuels.

Moreover, the number of PRTR Law-designated chemicals JT used and reported was 6 in FY 3/2006, but we will continue to strengthen our management practices according to various guidelines (Guidelines for Complying with the PRTR Law, Guidelines for

Chemical Substance Management, and Management Regulations for PCB Waste) to prevent chemical pollution.

An independent survey is executed for soil pollution, and appropriate correspondence is aimed at based on the Soil Contamination Countermeasures Law.

Afforestation and forest conservation projects

Based on the characteristics of its business, JT is engaging in afforestation and forest conservation activities from the standpoint of showing an appreciation of the natural world that supports its business, and in consideration of the importance of tackling global environmental problems.

In January 2005, as the first of these initiatives, JT launched a tree-planting project in Tanabe, Wakayama Prefecture entitled “JT Forest Nakahechi”. Under this 10-year project, we will plant approximately 180,000 trees on 50 hectares (approximately 124 acres) of land in the vicinity of Kumano Kodo, the traditional pilgrimage route of the Kii mountain range and a World Heritage Site, and will conduct forest conservation activities until January 2015.

A tree-planting event was held in March 2005 to kick-off the “JT Forest Nakahechi” program. More than 250 people participated, including around 100 JT employees and their families from across Japan, the Governor of Wakayama Prefecture, the Mayor of Nakahechi Town (currently the Mayor of Tanabe City), local residents and staff from Nakahechi Town Office and from Nakahechi Town Forestry Cooperative. Around 1,500 trees were planted as part of the event, centered on broadleaf species such as the Japanese wild cherry, Japanese maple, and konara oak. Subsequently, we have been conducting periodic activities such as tree-planting in spring and cutting back the undergrowth in autumn. Through such



▲JT Forest Nakahechi



▲ JT Forest Kosuge

experiences we would like to foster the opportunity to think about the value of maintaining the environment through our own actions based on an appreciation of the importance of nature.

We are conducting these activities with an emphasis on promoting local exchanges such as receiving advice from the Nakahechi Town Forestry Cooperative and cooperation from local residents. Of the afforestation projects being conducted under the “Kigyo no Mori (Forest of Companies)” system advocated by Wakayama Prefecture (currently 20 locations, total area 112.2 hectares), “JT Forest Nakahechi” is the largest. Moreover, it is highly evaluated as a model activity that positively utilizes a “Green Employment Program” and that links to providing exchanges with local residents.

Similarly, in the Kanto Region, we have launched the “JT Forest Kosuge” project in Kosuge Village, Kitatsuru District, Yamanashi Prefecture, close to the headwaters of the Tama River, one of Tokyo’s principal water sources. In March 2006, we began a five-year program of afforestation and forest conservation activities in a plot of land measuring approximately 13 hectares in area. This activity is part of a trial organized by Yamanashi Prefecture and Kosuge Village with the aim of creating extensive mixed woodland of needleleaf and broadleaf trees such as zelkova, and Japanese maple. In May, a tree-planting event was carried out at “JT Forest Kosuge” with the participation of around 200 people.

In the future, JT will continue to engage in afforestation and forest conservation activities from a medium- and long-term viewpoint as a part of our efforts to preserve the natural environment.

URL: http://www.jti.co.jp/JTI_E/environ/Welcome.html

Improving Smoking Manners and the Smoking Environment

(This part applies only to Japan)

At JT, we use the term “SMOKER’S STYLE” to express our wish that our valued customers will enjoy smoking to the fullest while exercising maturity in their smoking habits and showing consideration to those who do not smoke, so that both smokers and nonsmokers can coexist in harmony. As part of this concept we are making efforts in many areas to fulfill our corporate responsibility to society as a tobacco company.

Some examples of our efforts

Setting up smoking areas

We work closely with local governments and public facilities such as train stations and airports in setting up smoking areas in various locations so that all people, both smokers and nonsmokers, can coexist in harmony.

Consultation for creating separate smoking areas

We provide advice on creating separate smoking and nonsmoking areas within public facilities, commercial facilities, and business offices. Our group of experts visits sites and uses the latest technologies in taking measurements and creating computer simulations to determine the best way of matching the style of each facility with the needs of its users.

Smoking manner advertisements

JT has been using advertisements to promote good smoking manners since 1974. Beginning in March 2003, we renewed the messages conveyed in our advertisements by introducing actual everyday situations for smokers, with the objective of prompting them to take notice, think, and exercise appropriate behavior when smoking.



▲“Pick up, and you will love your city” Post-festival community clean-up campaigns



▲Smoking Lounge at Narita Airport

Community cleanup activities

Since April 2004, in order to help increase awareness with regard to appropriate smoking manners, JT has been conducting “Pick up, and you will love your city” activities as a community-based cleanup effort at festivals and other events up and down the country. Carried out in cooperation with local authorities, schools, volunteers, and the executive committees and participating organizations of the events concerned, these activities have so far attracted the participation of some 176,202 people as of May 13, 2006.

To learn more about JT’s efforts to improve smoking manners, please refer to our website.

URL: <http://www.jti.co.jp/sstyle>

The JT Group’s Social Contribution Activities

The JT Group strives to be a “good corporate citizen”, coexisting with and continuously contributing to society through various corporate activities.

The JT Group works specifically for the regeneration and revitalization of local communities as a “good neighbor” to the communities it serves, and regards community-based social contribution activities, preservation of the natural environment, and aid for disaster-stricken areas as its top priorities. Our social contribution activities focus mainly on supporting social welfare and cultural and artistic activities.

The JT Group, based on the above concepts, globally implements a wide variety of social contribution activities to assist the development of local communities while earning the goodwill of these societies.

1. Domestic Efforts

Community cleanup activities

With the aim of being a good neighbor and a good corporate citizen, JT is working on a variety of activities that contribute to local society in areas where our places of business are located.

• Participation and cooperation in local activities

The JT Group’s business establishments nationwide participate actively as members of their local neighborhood associations in festivals and street clean-up activities. In addition, we take part in other activities that make a contribution to society at the local level, such as cooperative activities with local governments and NPOs, and hosting or cooperating with local sports events.

• Combining the Environment and Welfare:

“Eco & Hello Campaign”

Japan Beverage Inc. rolls out the “Eco & Hello Campaign” mainly in elementary, junior high and high schools in local area. Under this campaign, 140 bags of used aluminum cans (150 cans per bag) can be exchanged for a wheelchair for donation to welfare institutions.

• Opening company facilities to the public

The JT Group’s business establishments nationwide open up company-facilities for use by local residents. For example, we provide parking spaces when needed for neighborhood facilities or neighborhood association events, lend out grounds for use by neighborhood children’s sports associations, and open our grounds to local residents for springtime cherry blossom viewing.

Activities for youth development

JT considers nurturing young people to be important for the construction of a sustainable society in the future, and for this reason we carry out a variety of activities in support of youth development, including financial aid to NPOs, and hosting related events.

- **NPO support projects for youth development**

We believe human resource development to be an essential task in order to revitalize and activate local communities and construct a better society. Accordingly, we provide support in each local community to youth cultivation projects led by NPOs and other organizations.

- **JT Honobono (Heartwarming) Concerts**

We host JT Honobono Concerts as an independent project aimed at introducing songs for use in school music classes and children's songs that incorporate beautiful archetypal images of Japan in order that these are handed down to future generations.

- **JT Shogi Japan series tournament for kids**

We host the JT Shogi Japan Series Tournament for Kids simultaneously with the professional shogi official tournament, the JT Shogi Japan Series. Through this tournament, we hope to encourage children to grow up with good manners and consideration for others, while experiencing the joy and sorrow of playing the game of Shogi.

Activities for international contribution

- **Scholarships for students from Asia**

Since FY1998, JT has been providing scholarships for privately financed students who have come from Asia to study in Japan. Our purpose is to promote international exchange and nurture human resources. Scholarships are provided to privately-funded foreign students who have come to Japan from Asia to help support them while studying at university and or in conducting research. As part of the project, JT performs exchange events three times each year as an opportunity for students on scholarships to gain understanding and experience of Japanese culture and history, as well as to visit JT facilities and deepen personal exchanges with JT employees of the same generation.

Sports promotion activities

- **Volleyball classes**

The JT Thunders, the company's men's volleyball team, and the JT Marvelous, the women's team, both of which play in the V League, teach volleyball to elementary and junior high school children, as well as to moms' teams. These volleyball classes are held by local governments and take place mostly in Hiroshima Prefecture, which is the Thunders' home turf, and in the Kinki region beginning with Hyogo and Osaka, where the Marvelous are based.

Supporting JT staff members' volunteer activities

We have introduced various systems to encourage and support our employees in their participation in volunteer activities.

- **Volunteer leave system**

Under this system, JT employees are permitted to take a leave of absence of up to 5 days per year in order to participate in certain volunteer activities such as providing support for victims of natural disasters or for disabled people.

- **Leave of absence system for bone marrow donors**

This system allows JT employees to take the required leave of absence

for registering or undergoing examination at a bone marrow bank, or to stay in hospital for the purpose of bone marrow transplantation.

- **Leave of absence for serving as a Japan overseas cooperation volunteer**

We have a system of leave of absence in place to allow employees to serve as Japan Overseas Cooperation Volunteers (dispatch period approx. 2 years and 3 months).

- **Volunteer signup system "Smiling"**

This system offers JT employees and family members who wish to participate in volunteer activities the opportunity to sign up for activities in their areas of interest, and then provides them with information on those specific areas as needed.

- **Providing volunteer-related information in the in-house magazine**

We provide a wide range of volunteer information in the "Citizenship News" section of our in-house magazine *Yours*, to encourage employees and family members to participate in volunteer activities.

- **JT citizenship events**

We hold independently planned events to which we invite people in various fields who have contributed to society. The purpose of these events is to enhance levels of concern and understanding among citizens and JT employees in local regions, and through this to encourage people to start volunteer activities.

Art and culture

The JT Group is involved in activities to contribute to the development and improvement of classical music and other forms of art and culture.

- **Support for nurturing musicians**

We provide opportunities to perform to a broad spectrum of musicians who support the Japanese classical music world, centered on our Tokyo performance venue JT Art Hall Affinis. The concerts staged here include the JT Art Hall Chamber Music Series, performed by emerging Japanese musicians, and the Ensemble Series Groomed by JT, performed by youngsters for whom future success is anticipated. Furthermore, in order to provide music students with a venue to present their work, and to allow people who live and work in the vicinity of the JT Building to enjoy classical music casually, we are hosting an independent project entitled Afternoon Concert with the Promising Music Majors, consisting of free concerts held at lunch times.

- **The affinis arts foundation**

The Affinis Arts Foundation was founded in 1988 for the main purpose of supporting professional orchestras in Japan. Its activities include providing musicians with aid in staging musical performances and studying overseas, and holding chamber music concerts. The Foundation also holds the annual Affinis Summer Music Festival, in which seminars and musical events closely related to the local area are held.

- **Tobacco & Salt museum**

The Tobacco & Salt Museum was opened in 1978 to collect materials and conduct studies and research about tobacco, an item of taste which has long been cherished by people around the world, and salt, the food of life. Housing some 30,000 items, including smoking utensils and posters, the museum presents the history and culture of tobacco and salt through exhibits and other events about tobacco and salt.

•JT Biohistory Research Hall

The JT Biohistory Research Hall was opened in 1983 for the purpose of providing a place for all people to enjoy themselves by studying the historical existence of life from a biohistorical perspective, as if they were listening to music or looking at a picture. The facility provides visitors with the opportunity and pleasure of thinking about the very important topic of life through laboratory tours, summer schools, various exhibits, and also through its quarterly journal *Biohistory*.

• JT delight forum

“Delight Forum —There are as many kinds of irreplaceable delight as there are values.—” is a cultural event jointly hosted by a sponsoring newspaper company and JT. The hosting newspaper wishes to nurture the development of high quality culture at the regional level, while JT’s involvement stems from our desire to make a contribution to local culture and to provide people with opportunities for happiness. Each year, the Delight Forum includes lecture meetings at sites around Japan delivered by famous personalities such as writers and intellectual professionals in a host of fields.

2. Overseas Efforts

In 2005, JTI, an overseas subsidiary of the JT Group, established new policy and guidelines with the objective of improving the focus and quality of its Corporate Philanthropy programs around the world. As part of this policy, two global causes were selected: Care for the Elderly and Adult Literacy.

JTI management has begun the process of reviewing market programs and spending to ensure that the company’s goals are achieved over time, and that markets incorporate one or both of the global causes as part of their local Corporate Philanthropy programs.

Activities in various countries

In Spain, JTI supports charitable organizations which offer Spanish language programs to adult immigrants, as well as courses in basic administrative and regulatory processes. In France, funding was provided to the Association Emmaüs Adult Illiteracy Centre to organize different workshops for adults on writing, theatre, and cooking. JTI France has been supporting this association for the past three years.

In Germany, vehicles and drivers are made available to support the elderly. In rural areas where public transport is scarce, JTI provides volunteers to accompany the elderly on their visits to doctors. In France, a Christmas Eve party was organized with the Association Les Petits Frères des Pauvres for the elderly of modest means.

JTI supports a variety of other charitable programs across its markets. In Latvia, JTI collaborated with Apeirons, an organization supporting people with disabilities, to run a variety of programs to integrate disabled persons into society. In Lithuania, JTI collaborated with the G. Steponavicius Foundation to assist self-realization of the blind through artistic activities

Art and culture

The JT Group also provides support for cultural and artistic sponsorships in countries overseas.

In 2005, JTI donated funds toward the construction of a new symphonic concert hall for the Mariinsky Theater in Saint Petersburg, which is scheduled for completion in 2008.

In Greece, JTI provided funding to the Museum of Cycladic Art to enable the Museum to display the results of the excavation of the Eleftherna site, a project which has been underway for more than 20 years. JTI was recognized for its contribution and was given an award of excellence by the Ministry of Culture.

The JT Group is proud of its cultural heritage, and supports efforts to promote Japanese culture internationally within the communities we serve.

In cooperation with the Greek-Japan Chamber of Commerce, JTI sponsored an exhibition of Japanese contemporary art at the Athenias Museum, featuring the works of 11 Japanese painters which were loaned by the Museum of Contemporary Art in Tokyo for this exhibit. In France, JTI collaborated with the Sèvres National Ceramic Museum for an exhibition of contemporary Japanese ceramics.

3. Aid for Disaster-stricken Areas

Domestic and Overseas

The JT Group provides aid for victims in disaster-stricken areas when natural catastrophes occur in Japan and around the world.

As an important element of JTI’s overseas Corporate Philanthropy effort, the JTI Foundation was established in 2001 with the objective of providing meaningful and immediate relief to the victims of natural and man made disasters. The JTI Foundation is registered in Switzerland and operates on a global basis.

In 2005, the JT Group and the JTI Foundation responded quickly to a series of natural catastrophes which occurred around the world.

Funding was provided to assist victims of Hurricane Katrina, which the Southern U.S. on August 29, 2005. In addition, matching gift programs and charity drives were implemented to augment these donations.

Early in September 2005, Timis County in Romania was devastated by severe flooding. The JTI Foundation provided funds to the Freedom House Foundation to help victims of the floods rebuild their houses.

When a major earthquake occurred in Pakistan on October 8, 2005, the JT Group offered support including financial aid. The JTI Foundation separately provided immediate funding within hours of the earthquake to the Turkish Search Rescue and Ecology Group (GEA) for tents, water filtration equipment, weatherproof clothing and vehicles. GEA was the first international rescue team to reach the devastated area less than 24 hours after the earthquake.

During the same week but on the other side of the world, Hurricane Stan battered the coasts of Mexico (Oct.4, 2005). The JTI Foundation contacted the Mexican Red Cross and provided funding for the provision of food, shelter and medical treatment.