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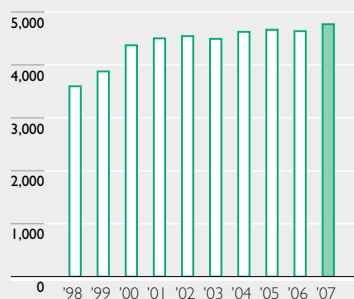
Number of Employees

Note: This "Fact Sheet" has been prepared in accordance with disclosure rules in Japan.

Financial Data

Net Sales Including Taxes

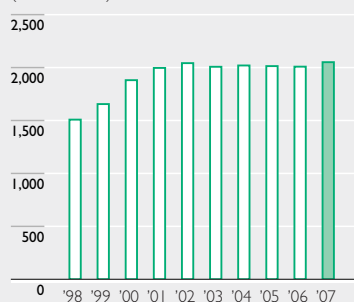
(Billions of Yen)



Years ended March 31	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
Total	3,596.9	3,876.5	4,371.2	4,501.7	4,544.1	4,492.2	4,625.1	4,664.5	4,637.6	4,769.3
Tobacco Business		3,616.7	4,024.4	4,140.2	4,178.0	4,134.4	4,236.9			
Domestic								3,491.4	3,405.2	3,416.2
International								792.7	881.1	999.6
Pharmaceutical Business		23.7	67.7	66.4	61.8	53.9	51.2	57.6	49.2	45.4
Foods Business		150.7	195.0	210.3	221.1	232.4	250.1	265.3	278.3	286.5
Other Business		85.3	83.9	84.6	83.0	71.4	86.8	57.2	23.5	21.4

Net Sales Excluding Taxes

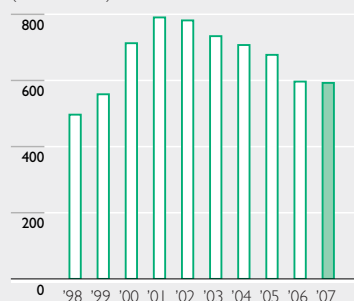
(Billions of Yen)



Years ended March 31	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
Total	1,508.2	1,655.1	1,881.0	1,996.6	2,041.9	2,007.5	2,019.8	2,013.9	2,008.7	2,051.0
Tobacco Business		1,395.4	1,534.3	1,635.2	1,675.8	1,649.7	1,631.5			
Domestic								1,203.8	1,173.2	1,147.2
International								429.7	484.3	550.3
Pharmaceutical Business		23.7	67.7	66.4	61.8	53.9	51.2	57.6	49.2	45.4
Foods Business		150.7	195.0	210.3	221.1	232.4	250.1	265.3	278.3	286.5
Other Business		85.3	83.9	84.6	83.0	71.4	86.8	57.2	23.5	21.4

SG&A Expenses

(Billions of Yen)

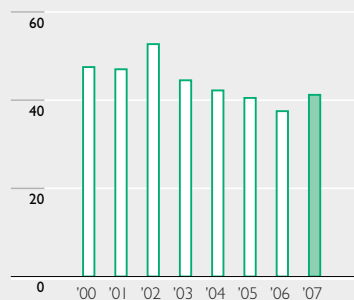


Years ended March 31	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
SG&A	496.6	558.2	712.6	790.5	781.5	733.9	707.1	677.4	596.6	592.6
Personnel*	148.4	158.7	207.2	220.6	222.7	209.7	205.3	183.9	150.8	158.5
Advertising and General Publicity	31.1	31.5	36.9	48.3	40.2	35.7	35.4	27.4	23.9	23.4
Sales Promotion	77.6	109.7	134.5	162.5	155.2	142.0	141.7	140.1	142.1	128.0
R&D	37.7	37.1	47.5	47.0	52.6	44.5	42.1	40.4	37.5	41.2
Depreciation	14.7	16.6	51.2	58.9	59.5	56.7	56.7	54.2	53.4	57.4

*Personnel expense is the sum of compensation, salaries, allowances, provision for retirement benefits, statutory benefits, employee bonuses and accrual of employee bonuses

R&D Expenses

(Billions of Yen)

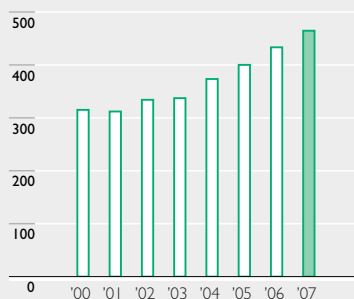


Years ended March 31	2000	2001	2002	2003	2004	2005	2006	2007
R&D	47.5	47.0	52.7	44.5	42.2	40.5	37.5	41.2
Tobacco Business	15.7	13.7	14.5	14.8	16.6			
Domestic						16.1	15.1	15.1
International						2.1	0.9	1.3
Pharmaceutical Business	28.9	30.5	35.4	27.1	23.7	20.5	19.9	23.4
Foods Business	0.9	0.7	0.7	1.2	1.0	1.0	0.8	0.7
Other Business	1.8	1.1	0.7	0.6	0.1	0.0	—	—

*R&D expense in FY2000-2005 includes expenses posted as manufacturing cost

EBITDA

(Billions of Yen)

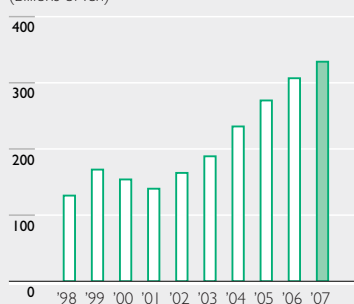


Years ended March 31	2000	2001	2002	2003	2004	2005	2006	2007
EBITDA	315.1	312.0	334.1	337.2	373.4	400.1	433.3	464.6
Tobacco Business	299.4	296.3	320.9	321.4	343.1			
Domestic						296.0	305.7	326.4
International						65.4	94.0	112.6
Pharmaceutical Business	(0.7)	(3.1)	(8.5)	(5.1)	(4.4)	5.4	(1.8)	(8.1)
Foods Business	(0.4)	(2.6)	2.2	0.5	3.3	7.9	11.8	12.0
Other Business	16.0	20.0	19.6	19.6	30.6	26.8	22.1	21.5

*EBITDA = operating income + depreciation and amortization

Operating Income

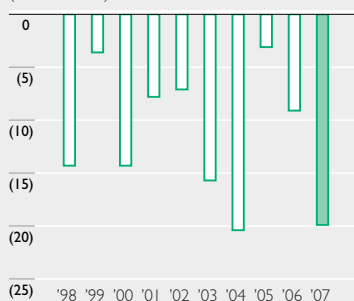
(Billions of Yen)



Years ended March 31	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
Operating Income	129.5	168.8	153.9	139.9	163.8	188.9	234.0	273.3	306.9	331.9
Tobacco Business		193.8	181.5	165.9	192.1	213.3	238.4			
Domestic								215.8	220.0	245.3
International								44.4	71.0	81.0
Pharmaceutical Business	(12.6)	(11.4)	(12.8)	(18.9)	(13.8)	(12.8)	1.8	(5.0)	(11.2)	
Foods Business	(8.6)	(14.5)	(17.3)	(11.8)	(13.1)	(4.8)	1.9	6.3	6.7	
Other Business	(2.6)	(1.7)	3.4	1.7	0.9	11.9	10.4	8.6	9.3	

Non-Operating Income and Expenses

(Billions of Yen)



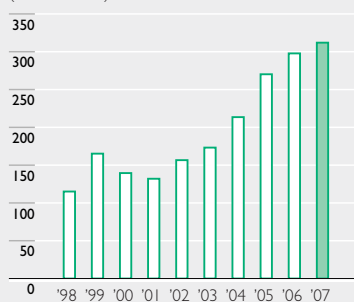
Years ended March 31	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
Non-Operating Income and Expenses	(14.3)	(3.6)	(14.3)	(7.8)	(7.1)	(15.7)	(20.4)	(3.1)	(9.1)	(19.9)
Non-Operating Income	14.6	15.9	22.6	15.1	11.2	9.3	10.3	15.9	12.6	16.0
Financial Income ^{(*)1}	8.8	9.9	7.5	6.5	4.7	3.7	3.2	3.3	5.9	12.1
Non-Operating Expenses	29.0	19.5	37.0	23.0	18.3	25.0	30.7	19.0	21.7	35.9
Financial Expense ^{(*)2}	4.9	4.6	15.9	12.4	10.2	8.7	8.1	5.1	5.7	6.9

*1 Financial income is the sum of interest income, interest on marketable securities, interest on investment securities, dividend income, profit on redemption of securities, etc.

*2 Financial expense is the sum of interest expense, bond interest paid, loss of redemption of securities, etc.

Recurring Profit

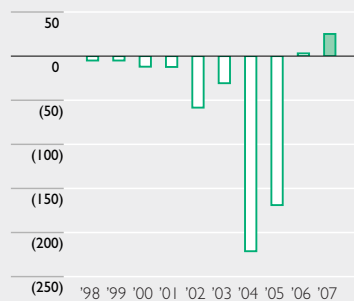
(Billions of Yen)



Years ended March 31	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
Recurring Profit	115.1	165.2	139.5	132.0	156.6	173.2	213.5	270.2	297.8	312.0

Extraordinary Profit and Loss

(Billions of Yen)

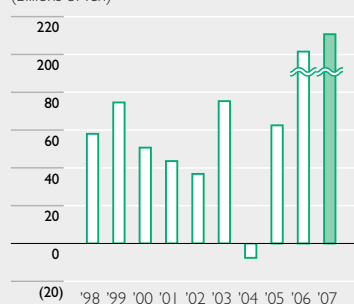


Years ended March 31	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
□ Extraordinary Profit and Loss	(5.0)	(5.0)	(12.0)	(12.3)	(58.4)	(30.7)	(221.2)	(168.9)	3.1	25.1
Extraordinary Profit	3.8	6.2	16.8	20.7	30.0	18.3	29.3	79.2	65.4	50.8
Gain on Sale of Property, Plant and Equipment	2.5	4.5	8.0	16.3	28.2	15.4	17.2	73.3	60.0	47.5
Extraordinary Loss	8.8	11.3	28.8	33.0	88.5	49.0	250.5	248.2	62.3	25.7
Loss on Sale of Property, Plant and Equipment	0.1	0.1	2.9	1.6	2.2	2.6	4.8	2.2	24.8	3.1
Loss on Disposal of Property, Plant and Equipment	8.1	9.2	11.9	13.3	9.3	9.8	10.8	13.6	12.2	10.4
Business Restructuring Costs	—	—	—	—	13.4	11.4	40.8	224.8	8.0	—
Impairment Loss	—	—	—	—	—	—	—	0.1	11.4	2.7
Introduction Costs for Vending Machines with Adult Identification Functions	—	—	—	—	—	—	—	—	0.1	5.7

*Extraordinary loss in FY2004 includes ¥185 billion of one-time loss on recognition of obligations under the Public Official Mutual Assistance Association Law

Net Income (Loss)

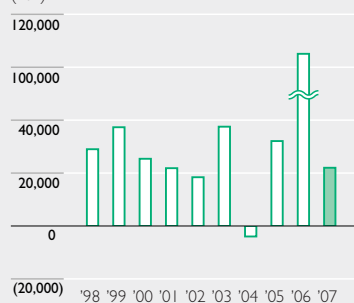
(Billions of Yen)



Years ended March 31	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
□ Net Income (Loss)	58.0	74.6	50.7	43.6	36.8	75.3	(7.6)	62.5	201.5	210.7

Earnings per Share (EPS)

(Yen)

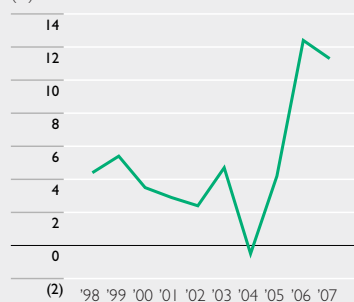


Years ended March 31	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
□ EPS	29,010	37,316	25,395	21,843	18,425	37,527	(3,966)	32,089	105,084	22,001

*A 5 for 1 stock split went into effect on April 1, 2006

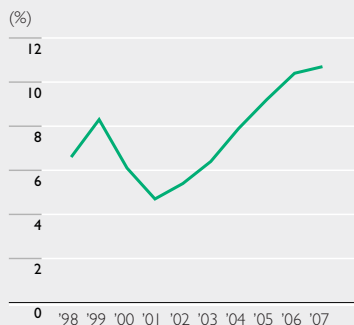
Return on Equity (ROE)

(%)



Years ended March 31	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
— ROE	4.4	5.4	3.5	2.9	2.4	4.7	(0.5)	4.2	12.4	11.3

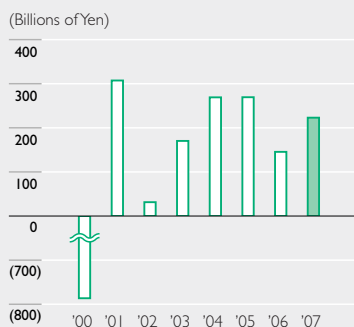
Return on Assets (ROA)



Years ended March 31	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
ROA	6.6	8.3	6.1	4.7	5.4	6.4	7.9	9.2	10.4	10.7

*ROA=(Operating Income + Financial Income) / Total Assets [average of beginning and ending figure for the period]

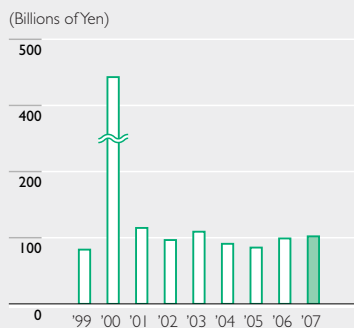
Free Cash Flow (FCF)



Years ended March 31	2000	2001	2002	2003	2004	2005	2006	2007
FCF	(786.4)	307.3	31.4	170.3	269.1	269.4	145.5	223.0

*FCF = (cash flow from operating activities + cash flow from investing activities) excluding the following items:
 From "cash flow from operating activities": Dividends received / interest received and its tax effect / interest paid and its tax effect
 From "cash flow from investing activities": Cash outflow from purchase of marketable securities / proceeds from sales of marketable securities / cash outflow from purchases of investment securities / proceeds from sales of investment securities / others (but not business-related investment securities, which are included in the investment securities item)

Capital Expenditure (CAPEX)



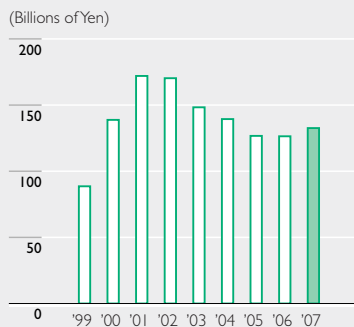
Years ended March 31	1999	2000	2001	2002	2003	2004	2005	2006	2007
Capital Expenditure	82.0	442.8	114.8	96.5	109.1	90.8	85.1	98.9	102.1
Tobacco Business	57.6	401.1	77.3	70.0	60.9	60.5			
Domestic							46.4	75.0	55.2
International							18.7	24.9	32.0
Pharmaceutical Business	1.7	3.8	3.6	2.2	1.1	2.6	3.1	2.1	3.0
Foods Business	4.7	14.5	4.2	6.9	7.2	9.1	7.3	4.5	4.8
Other Business	17.8	23.2	29.2	18.1	38.8	18.0	10.6	19.3	8.0

*1 CAPEX in FY1999–2000 = Tangible Assets + Intangible Assets

*2 CAPEX in FY2001–2006 = Tangible Assets + Intangible Assets + Long-Term Prepaid Expenses

*3 CAPEX in FY2000 includes Intangible Assets of ¥323 billion related to the RJRI acquisition

Depreciation & Amortization

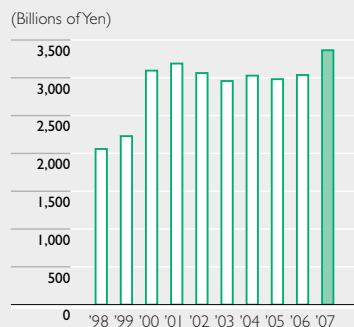


Years ended March 31	1999	2000	2001	2002	2003	2004	2005	2006	2007
Depreciation & Amortization	88.6	138.8	172.0	170.3	148.3	139.4	126.7	126.4	132.6
Tobacco Business	63.8	110.1	130.3	128.8	108.0	104.7			
Domestic							80.1	85.6	81.0
International							21.0	23.0	31.5
Pharmaceutical Business	3.4	4.9	9.7	10.4	8.7	8.4	3.6	3.2	3.0
Foods Business	3.7	6.0	14.7	14.1	13.7	8.1	5.9	5.5	5.3
Other Business	17.0	17.1	16.6	17.8	18.7	18.6	16.3	13.4	12.2

*1 Depreciation & Amortization in FY1999–2000 = Depreciation of Tangible Fixed Assets + Amortization of Intangible Fixed Assets

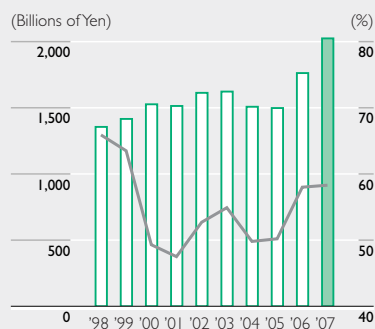
*2 Depreciation & Amortization in FY2001–2007 = Depreciation of Tangible Fixed Assets + Amortization of Intangible Fixed Assets + Amortization of Long-Term Prepaid Expenses + Amortization of Goodwill

Total Assets



As of March 31	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
Total Assets	2,058.6	2,228.5	3,095.2	3,188.2	3,063.0	2,957.6	3,029.0	2,982.0	3,037.3	3,364.6
Tobacco Business		1,634.9	2,346.7	2,452.7	2,309.5	2,153.0	2,122.2			
Domestic								1,298.2	1,131.7	1,180.3
International								838.5	994.8	1,275.0
Pharmaceutical Business		121.1	126.6	129.9	125.2	114.7	114.3	117.8	117.9	106.1
Foods Business		92.6	126.9	133.8	133.2	135.3	141.4	141.6	141.4	158.8
Other Business		175.0	195.5	198.1	190.1	236.5	250.2	197.0	194.4	249.6

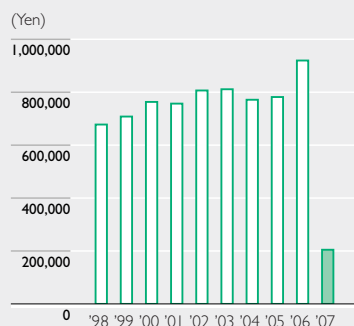
Total Equity and Equity Ratio



As of March 31	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
Total Equity	1,355.6	1,415.9	1,526.5	1,513.8	1,613.1	1,622.6	1,507.9	1,498.2	1,762.5	2,024.6
Equity Ratio	65.9	63.5	49.3	47.5	52.7	54.9	49.8	50.2	58.0	58.3

*Total Equity in FY1998-2006 excludes Minority Interests

Book Value per Share (BPS)

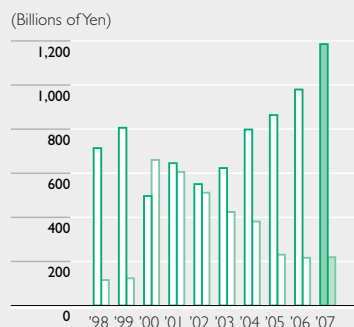


As of March 31	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
BPS	677,833	707,998	763,291	756,922	806,552	811,204	771,516	781,813	919,780	204,617

*1 Total Equity in FY1998-2006 excludes Minority Interests

*2 A 5 for 1 stock split went into effect on April 1, 2006

Liquidity and Interest-Bearing Debt

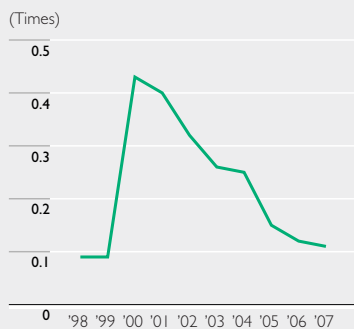


As of March 31	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
Liquidity	713.8	806.2	496.8	645.7	550.7	623.5	798.4	863.6	979.6	1,185.6
Interest-Bearing Debt	115.7	123.3	660.5	606.0	511.7	424.4	381.2	230.7	216.6	219.2

*1 Liquidity=Cash and deposits + Marketable securities + Commercial Paper received under repurchase agreement

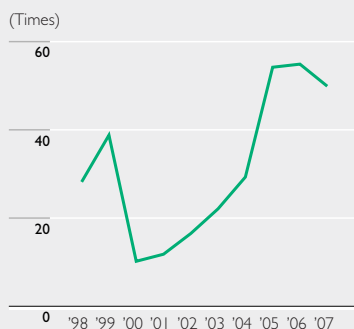
*2 Interest-Bearing Debt=Short-Term Debt (includes current portion of Bonds and current portion of Long-Term Debt) + Bonds + Long-Term Debt

Debt / Equity Ratio



As of March 31	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
Debt / Equity Ratio	0.09	0.09	0.43	0.40	0.32	0.26	0.25	0.15	0.12	0.11

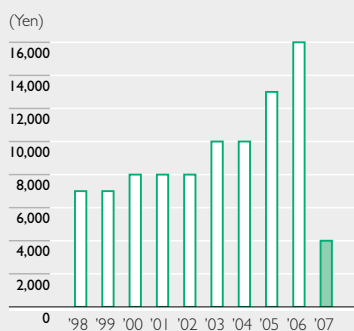
Interest Coverage Ratio



Years ended March 31	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
Interest Coverage Ratio	28.2	38.8	10.2	11.8	16.5	22.1	29.3	54.2	54.9	49.9

*Interest Coverage Ratio = (Operating Income + Financial Income) / Financial Expense

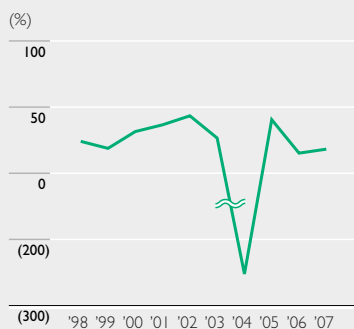
Annual Dividends per Share



Years ended March 31	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
Annual Dividends per Share	7,000	7,000	8,000	8,000	8,000	10,000	10,000	13,000	16,000	4,000

*A 5 for 1 stock split went into effect on April 1, 2006

Dividend Payout Ratio on a Consolidated Basis

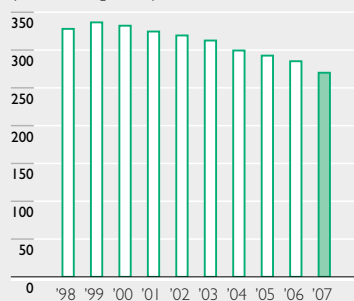


Years ended March 31	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
Dividend Payout Ratio	24.1	18.8	31.5	36.6	43.4	26.6	(252.1)	40.5	15.2	18.2

Domestic Tobacco Business

Total Domestic Market

(Billions of Cigarettes)



Years ended March 31	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
Total Domestic Market	328.0	336.6	332.2	324.5	319.3	312.6	299.4	292.6	285.2	270.0

*Source: Tobacco Institute of Japan

JT Sales Volume and JT Share

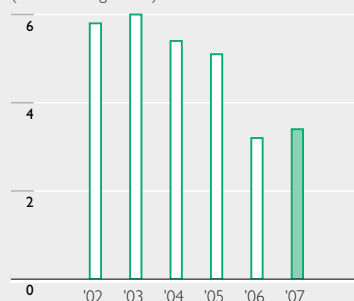
(Billions of Cigarettes)



Years ended March 31	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
JT Sales Volume	254.5	257.5	250.1	243.1	237.2	229.0	218.3	213.2	189.4	174.9
JT Share	77.6	76.5	75.3	74.9	74.3	73.3	72.9	72.9	66.4	64.8

Sales Volume of China Division and Domestic Duty-Free

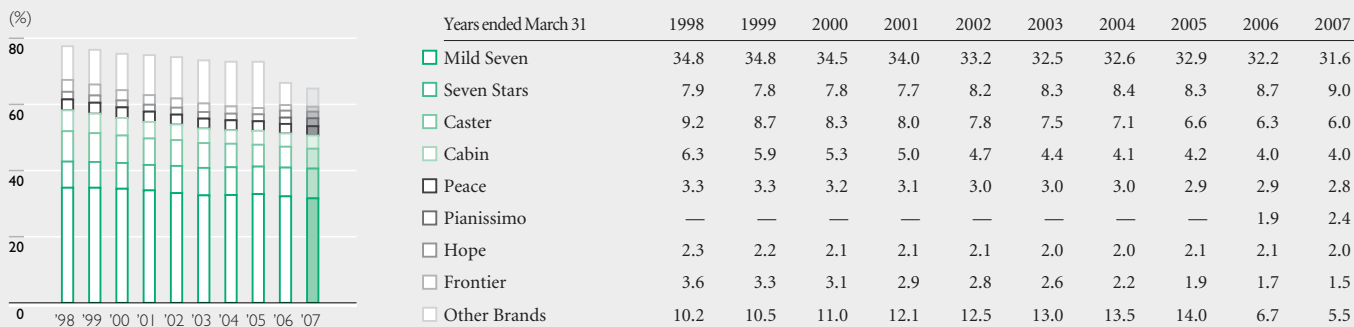
(Billions of Cigarettes)



Years ended March 31	2002	2003	2004	2005	2006	2007
Sales Volume	5.8	6.0	5.4	5.1	3.2	3.4

*China Division covers China, Hong Kong, and Macau markets

Market Share by JT Brand Family

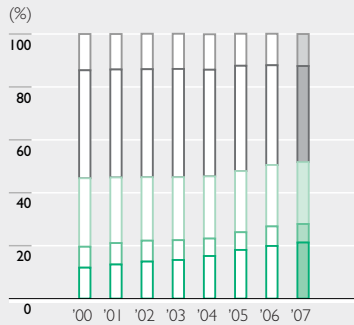


Top 20 Selling Products in Japan by Market Share (FY2007)

Product	Brand Owner	Share (%)
1 MILD SEVEN SUPER LIGHTS	JT	6.8
2 MILD SEVEN LIGHTS	JT	6.2
3 SEVEN STARS	JT	5.2
4 MILD SEVEN	JT	4.9
5 MARLBORO LIGHTS MENTHOL BOX	Altria	3.2
6 MILD SEVEN EXTRA LIGHTS	JT	3.0
7 MILD SEVEN ONE 100's BOX	JT	2.8
8 CASTER MILD	JT	2.7
9 CABIN MILD BOX	JT	1.9
10 LARK MILDS KS BOX	Altria	1.8
11 SEVEN STARS BOX	JT	1.6
12 KENT ULTRA1 • 100's BOX	British American Tobacco	1.5
13 PIANISSIMO ONE	JT	1.5
14 MARLBORO KS BOX	Altria	1.5
15 MILD SEVEN ONE	JT	1.5
16 HOPE (10)	JT	1.3
17 MARLBORO LIGHTS BOX	Altria	1.3
18 MILD SEVEN ONE BOX	JT	1.3
19 FRONTIER LIGHTS BOX	JT	1.2
20 CASTER ONE 100's BOX	JT	1.2

Source: Tobacco Institute of Japan

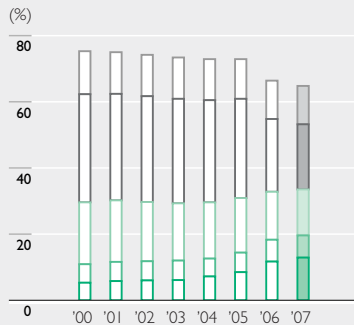
Market Share by Tar Level (Market Share in top 100 sales products)



Years ended March 31	2000	2001	2002	2003	2004	2005	2006	2007
1 mg	11.7	12.9	14.0	14.6	16.1	18.4	19.9	21.2
2-3 mg	7.9	8.1	7.9	7.5	6.6	6.7	7.4	7.0
4-6 mg	25.9	24.8	24.0	23.8	23.5	23.1	23.2	23.4
7-13 mg	40.8	40.8	40.8	40.9	40.3	39.8	37.7	36.3
14 mg or Higher	13.7	13.4	13.4	13.3	13.4	12.1	11.9	12.1

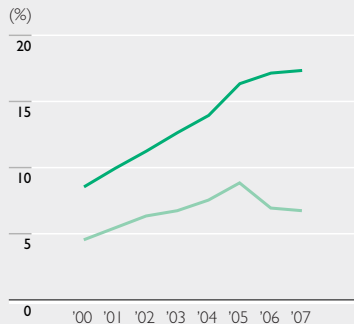
Source: Tobacco Institute of Japan

Market Share by Tar Level (JT Products)



Years ended March 31	2000	2001	2002	2003	2004	2005	2006	2007
1 mg	5.3	5.8	6.0	6.1	7.2	8.5	11.7	12.9
2-3 mg	5.6	5.8	5.8	5.9	5.4	5.9	6.6	6.7
4-6 mg	18.7	18.6	17.9	17.3	17.0	16.5	14.5	13.9
7-13 mg	32.7	32.2	32.0	31.6	30.9	30.0	22.0	19.7
14 mg or Higher	13.0	12.6	12.5	12.5	12.4	12.0	11.6	11.6

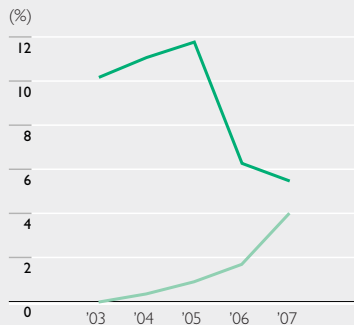
Menthol Products Market Share



Years ended March 31	2000	2001	2002	2003	2004	2005	2006	2007
Menthol Products*	8.6	10.0	11.3	12.7	14.0	16.4	17.2	17.4
Menthol JT Products	4.6	5.5	6.4	6.8	7.6	8.9	7.0	6.8

*Market Share in top 100 sales products Source: Tobacco Institute of Japan

Products Priced at ¥320 or more per pack and D-spec Products Market Share

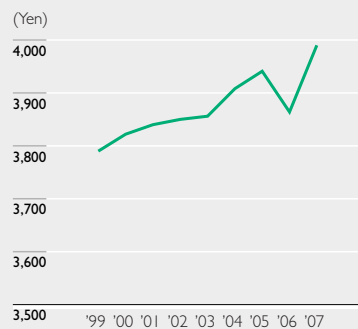


Years ended March 31	2003	2004	2005	2006	2007
JT Products Priced at ¥320 or more per pack (*1)	10.2	11.1	11.8	6.3	5.5
D-spec Products (*2)	0.01	0.38	0.93	1.72	4.04

*1 Data before June 2006 refers to share of JT products priced at ¥300 or more per pack

*2 D-spec products, reduced odor segment products (known as "Less Smoke Smell" products abroad), incorporate the company's odor-reducing technology in response to customer demands for a reduction in the unpleasant smell of smoke

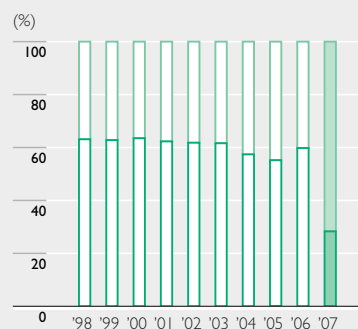
JT Net Sales Excluding Taxes per Thousand Cigarettes



Years ended March 31	1999	2000	2001	2002	2003	2004	2005	2006	2007
JT Net Sales Excluding Taxes Per Thousand Cigarettes	3,790	3,822	3,840	3,850	3,856	3,908	3,941	3,864	3,990

*JT Net sales excluding taxes thousand cigarettes = (retail price sales - retailer margins - consumption tax - national tobacco excise tax - local tobacco excise tax - national tobacco special excise tax) / sales volume X 1,000

Composition of JT Products by Price Range



Years ended March 31	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
Products Priced at ¥300 or more per pack (*1)	36.9	37.2	36.5	37.7	38.2	38.4	42.6	44.8	40.2	71.7
Products Priced at ¥320 or more per pack						12.1	14.7	16.1	9.5	8.5
Products Priced at ¥310 per pack						3.8	1.0	0.0	0.0	0.0
Products Priced at ¥300 per pack						22.5	26.9	28.7	30.7	63.2
Products Priced at ¥290 or Less per pack (*2)	63.1	62.8	63.5	62.3	61.8	61.6	57.4	55.1	59.8	28.3

*1 ~ Nov. 98: ¥240 or more, Dec. 98 ~ Jun. 03: ¥260 or more, Jul. 03 ~ Jun. 06: ¥280 or more

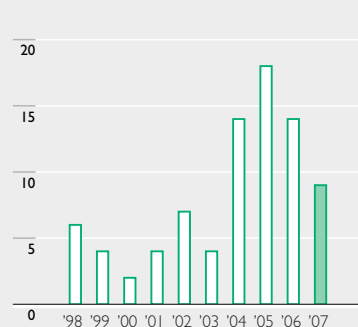
*2 ~ Mar. 97: ¥220 or less, Apr. 97 ~ Nov. 98: ¥230 or less, Dec. 98 ~ Jun. 03: ¥250 or less, Jul. 03 ~ Jun. 06: ¥270 or less

New Product Launches and Sales Area Expansion

Year ended March 31, 2007 (9 products) (D-spec: seven products, Menthol: three products, Tar 1mg: one product, Products at ¥320 or more per pack: seven products)

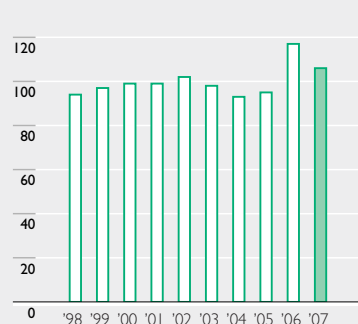
Date	Product	D-spec	Menthol	Tar (mg)	Nicotine (mg)	Price	Sales Region
Oct-06	CABIN ONE TASTY 100's BOX			1	0.1	¥300	42 prefectures → (Dec-06) Nationwide
Oct-06	CAMEL MENTHOL BOX	○	○	8	0.7	¥320	Miyagi → (Mar-07) Nationwide
Oct-06	SAKURA	○		7	0.6	¥350	Kanagawa
Oct-06	PEACE INFINITY	○		8	0.7	¥350	Kyoto
Oct-06	SALEM ICEBLUE	○	○	8	0.6	¥320	Fukuoka → Discontinued
Dec-06	MILD SEVEN SUPER LIGHTS 100's BOX			6	0.5	¥300	Hokkaido → (Feb-07) Nationwide
Jan-07	D-SPEC H SIDE SLIDE BOX	○		12	0.9	¥320	Tokyo, Kanagawa, Chiba, Saitama, Fukuoka
Jan-07	D-SPEC R SIDE SLIDE BOX	○		5	0.5	¥320	Tokyo, Kanagawa, Chiba, Saitama, Fukuoka
Jan-07	D-SPEC C SIDE SLIDE BOX	○	○	7	0.6	¥320	Tokyo, Kanagawa, Chiba, Saitama, Fukuoka

Number of New Products Launches



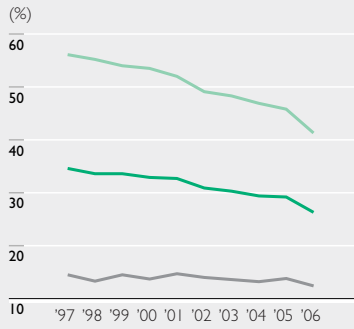
Years ended March 31	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
Number of New Products Launches	6	4	2	4	7	4	14	18	14	9

Number of JT Cigarette Products



As of March 31	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
Number of JT Cigarette Products	94	97	99	99	102	98	93	95	117	106

Smoking Rate (by gender)

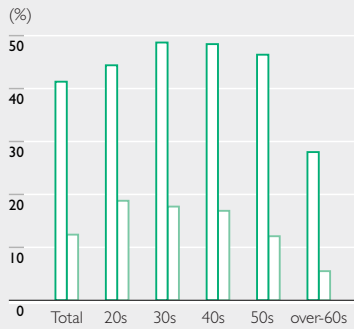


At the time of survey	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006*
All Adults	34.6	33.6	33.6	32.9	32.7	30.9	30.3	29.4	29.2	26.3
Male	56.1	55.2	54.0	53.5	52.0	49.1	48.3	46.9	45.8	41.3
Female	14.5	13.3	14.5	13.7	14.7	14.0	13.6	13.2	13.8	12.4

Source: JT "Japan Smoking Rate Survey"

* The survey method, along with the sample number, was modified from 2006, resulting in a lack of comparability with results prior to 2006

Smoking Rate (by age)



Survey in 2006	Total	20s	30s	40s	50s	over-60s
Male	41.3	44.4	48.7	48.4	46.4	28.0
Female	12.4	18.8	17.7	16.9	12.1	5.5

Source: JT "Japan Smoking Rate Survey"

Taxation

All tobacco products sold in Japan are subject to the national tobacco excise tax, the national tobacco special excise tax, and local tobacco excise tax. The national tobacco excise tax is set at ¥3,552 per thousand cigarettes, the national tobacco special excise tax at ¥820 per thousand cigarettes, and the local tobacco excise tax is set at ¥4,372 per thousand cigarettes. In addition, under the Consumption Tax Law, a 5% con-

sumption tax is imposed as with other goods and services. All tobacco excise taxes and consumption tax are imposed not only for tobacco products manufactured in Japan but also for imported tobacco products. From April 1987, no customs duties apply to imported tobacco products.

Changes of Tobacco Excise Taxes

Item	Tobacco Consumption Tax				Tobacco Excise Tax					
	Apr-1985		May-1986		Apr-1989	Apr-1997	Dec-1998	May-1999	Jul-2003	Jul-2006
	Ad valorem (%)	Specific (¥/1,000 units)	Ad valorem* (%)	Specific (¥/1,000 units)	Specific (¥/1,000 units)	Specific (¥/1,000 units)	Specific (¥/1,000 units)	Specific (¥/1,000 units)	Specific (¥/1,000 units)	Specific (¥/1,000 units)
National Tobacco Excise Tax	23.0	582	23.0	1,032	3,126	3,126	3,126	2,716	3,126	3,552
National Tobacco Special Excise Tax	—	—	—	—	—	—	820	820	820	820
Local Tobacco Excise Tax	22.4	550	22.4	1,000	3,126	3,126	3,126	3,536	3,946	4,372
Total Excise Tax	45.4	1,132	45.4	2,032	6,252	6,252	7,072	7,072	7,892	8,744
Consumption Tax	—	—	—	—	3.0%	5.0%	5.0%	5.0%	5.0%	5.0%
Tobacco Regulation Changes	• Tobacco Consumption Tax was introduced		* ¥1,000 was deducted from tax base for Ad valorem • Tobacco Consumption Tax was increased		• Consumption Tax was introduced • Tobacco Consumption Tax was renamed Tobacco Excise Tax	• Consumption Tax was increased	• National Tobacco Special Excise Tax was introduced	• Review of budget allocations in line with a revision of laws	• Tobacco Excise Tax was increased	• Tobacco Excise Tax was increased

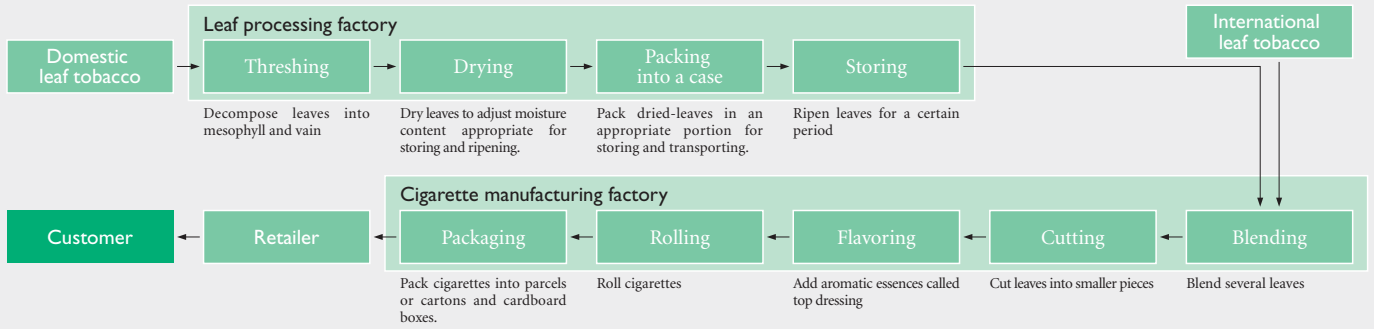
(Reference)

Retail Price of Mild Seven per pack	¥200	¥220	¥220	¥230	¥250	¥250	¥270	¥300
Tax Incidence of Mild Seven per pack (incl. Consumption Tax)	56.7%	59.7%	59.7%	59.1%	61.3%	61.3%	63.2%	63.1%

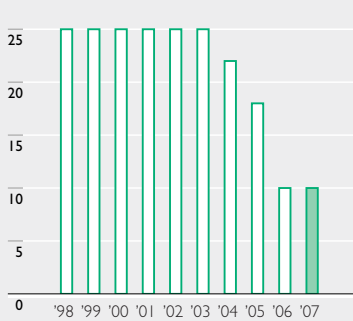
Breakdown of Price Levels per Cigarettes Package

	List price ¥290 per pack		List price ¥300 per pack		List price ¥320 per pack		
Consumption Tax	¥ 13.81	4.76%	¥ 14.29	4.76%	¥ 15.24	4.76%	} Net sales including taxes } Retail price sales
Retailer's Margin	¥ 29.00	10.00%	¥ 30.00	10.00%	¥ 32.00	10.00%	
Total Tobacco Excise Tax	¥174.88	60.30%	¥174.88	58.29%	¥174.88	54.65%	
National Tobacco Excise Tax	¥ 71.04	24.50%	¥ 71.04	23.68%	¥ 71.04	22.20%	
Local Tobacco Excise Tax	¥ 87.44	30.15%	¥ 87.44	29.15%	¥ 87.44	27.33%	
National Tobacco Special Excise Tax	¥ 16.40	5.66%	¥ 16.40	5.47%	¥ 16.40	5.13%	
JT's Proceeds	¥ 72.31	24.93%	¥ 80.83	26.94%	¥ 97.88	30.59%	
	} Net sales excluding taxes						

Tobacco Manufacturing System



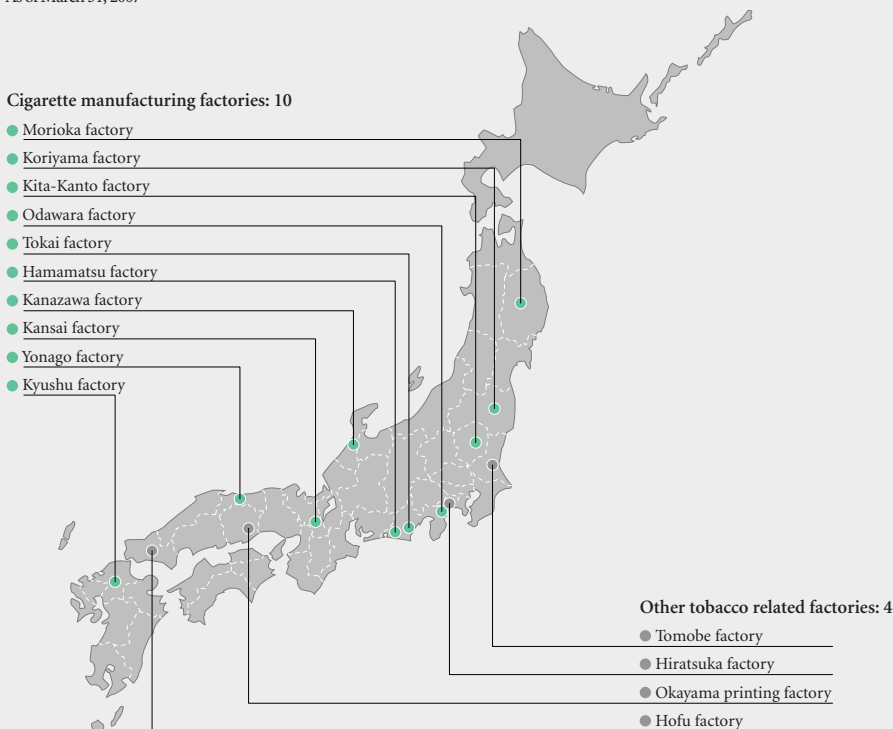
Number of Domestic Cigarette Manufacturing Factories



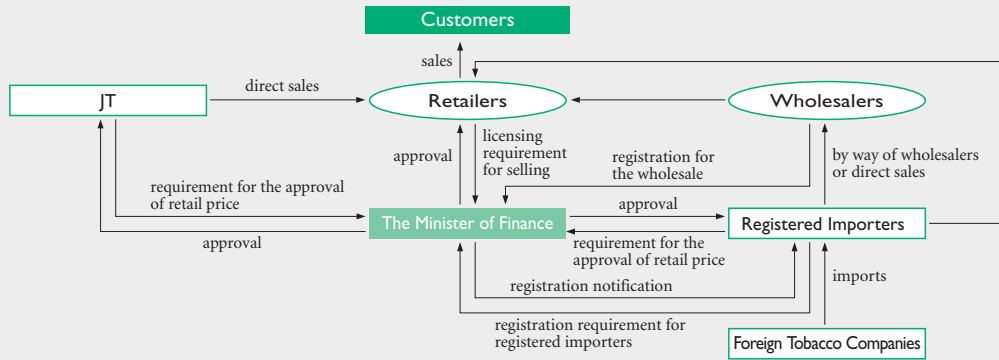
As of March 31	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
Domestic Cigarette Manufacturing Factories	25	25	25	25	25	25	22	18	10	10

Tobacco Manufacturing-related Factory Location

As of March 31, 2007

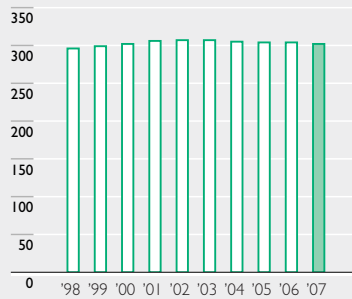


Tobacco Sales System



Number of Tobacco Retailers

(Thousands of Stores)

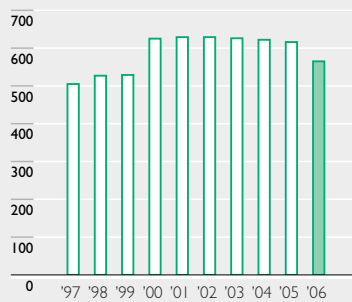


As of March 31	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
Tobacco Retailers	296	299	302	306	307	307	305	304	304	302

Source: Ministry of Finance

Number of Tobacco Vending Machines

(Thousands)

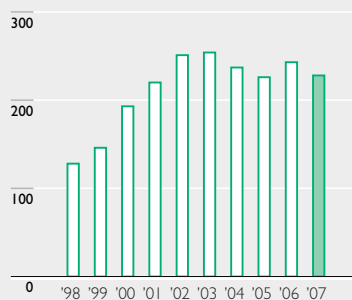


As of December 31	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Total Tobacco Vending Machines	505	527	529	625	629	629	626	622	616	565

Source: Japan Vending Machine Manufacturers Association

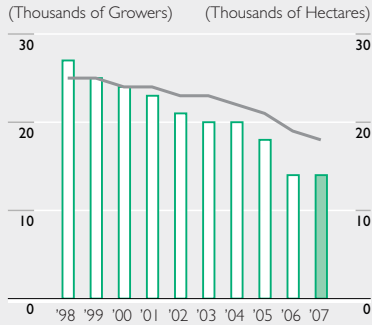
Number of Tobacco Vending Machines (JT Tobacco Vending Machines)

(Thousands)



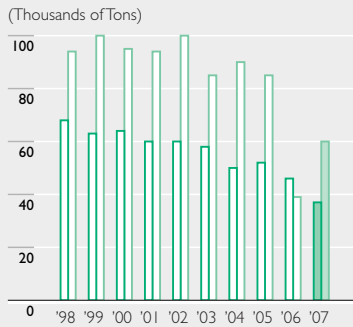
As of March 31	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
JT Tobacco Vending Machines	128	146	193	220	251	254	237	226	243	228

Number of Domestic Tobacco Growers and Area under Domestic Leaf Tobacco Cultivation



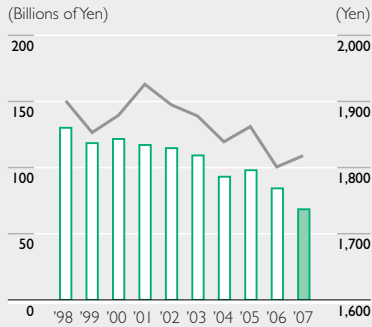
Years ended March 31	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
Number of Domestic Tobacco Growers	27	25	24	23	21	20	20	18	14	14
Area under Domestic Leaf Tobacco Cultivation	25	25	24	24	23	23	22	21	19	18

Volume of Domestic and International Leaf Tobacco Purchase



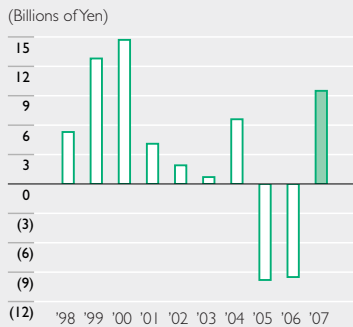
Years ended March 31	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
Domestic	68	63	64	60	60	58	50	52	46	37
International	94	100	95	94	100	85	90	85	39	60

Value of Domestic Leaf Tobacco Purchase and Price per 1kg



Years ended March 31	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
Amount	130.1	118.5	121.6	117.1	114.7	109.2	93.1	98.0	84.3	68.5
Price per 1 kg	1,901	1,853	1,879	1,926	1,895	1,878	1,839	1,862	1,801	1,818

Leaf Tobacco Reappraisal Profit / Loss



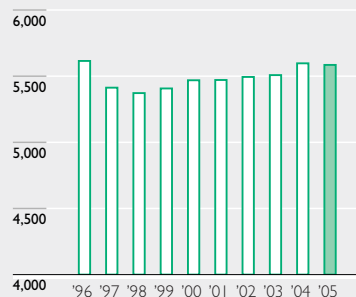
Years ended March 31	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
Leaf Tobacco Reappraisal	5.3	12.8	14.7	4.1	1.9	0.7	6.6	(9.8)	(9.5)	9.5

*() indicates reappraisal loss

International Tobacco Business

Worldwide Demand for Cigarette

(Billions of Cigarettes)



Years ended December 31	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
Worldwide Demand for Cigarette	5,615	5,413	5,372	5,407	5,469	5,471	5,494	5,508	5,597	5,585

Source: The Maxwell Report "Top World Cigarette Market Leaders"

Market Share of the Top International Tobacco Companies

(%)

Years ended December 31	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
Altria	15.9	17.5	17.6	16.2	16.5	16.6	16.6	16.8	17.0	17.7
British American Tobacco	12.4	13.2	13.3	13.9	14.8	14.8	14.1	14.4	15.2	12.1
JT	4.6	4.7	4.7	8.5	8.2	8.3	8.0	7.7	7.7	7.4
Reynolds American	5.6	5.9	5.6	1.8	1.8	1.7	1.7	1.5	2.0	1.9
Rothmans	3.9	4.4	4.3	1.3	—	—	—	—	—	—

Source: The Maxwell Report "Top World Cigarette Market Leaders"

Top 10 Brands by Sales Volume Worldwide

(Billions of cigarettes)

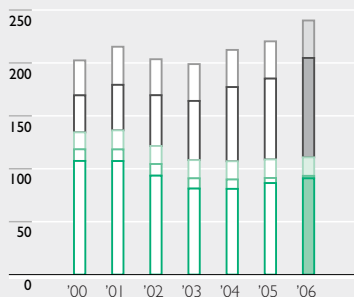
Years ended December 31	Brand	Brand Owner	Total World Annual Sales Volume	
			2004	2005
	1. Marlboro	Altria	466.4	472.7
	2. Mild Seven	JT	115.6	111.7
	3. L&M	Altria	113.4	106.2
	4. Winston	Total*	85.0	91.3
		JT	70.2	77.1
		Reynolds American	14.8	14.2
	5. Camel	Total*	58.8	59.0
		JT	35.8	35.7
		Reynolds American	23.0	23.3
	6. Cleopatra	Eastern Tobacco	58.2	57.2
	7. Derby	British American Tobacco	45.1	42.1
	8. Pall Mall	Reynolds American, British American Tobacco	33.3	39.7
	9. Kent	British American Tobacco, Lorillard	33.8	39.5
	10. Wills Gold Flake	British American Tobacco	30.4	34.3

Source: The Maxwell Report "Top World Cigarette Market Leaders"

*Sales volume within the United States and that outside the United States belong to Reynolds American and JT, respectively

Tobacco Sales Volume (by Brand)

(Billions of Cigarettes)

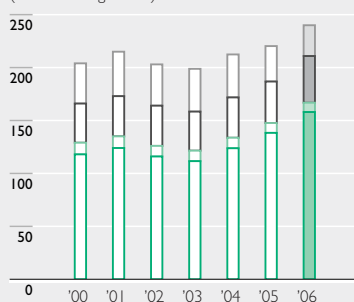


Years ended December 31	2000	2001	2002	2003	2004	2005	2006
Total	203.1	215.1	203.3	198.8	212.4	220.3	240.1
GFB Total	95.7	107.8	109.8	117.5	131.4	133.8	149.1
Camel	33.0	36.0	34.0	34.8	35.1	35.2	35.4
Winston	35.0	43.0	48.0	55.9	70.1	76.4	93.9
Mild Seven	16.0	18.0	17.0	17.2	17.2	17.5	17.5
Salem	11.0	11.0	11.0	9.7	8.9	4.8	2.3
Other Brands	107.4	107.3	93.5	81.3	81.0	86.5	91.0

*Sales volume in the China Division (China, Hong Kong, and Macau) was included in 2000 and 2001, but excluded from 2002 to 2006

Tobacco Sales Volume (by Region)

(Billions of Cigarettes)

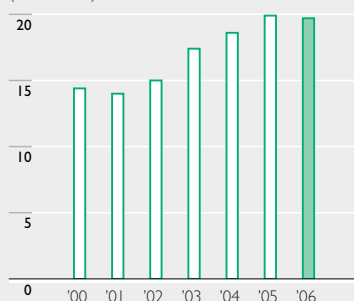


Years ended December 31	2000	2001	2002	2003	2004	2005	2006
Total	203.1	215.1	203.3	198.8	212.4	220.3	240.1
Asia	38.0	42.0	39.0	40.4	40.6	33.5	29.1
Europe	37.0	38.0	38.0	36.9	38.1	39.2	44.1
Americas	11.0	11.0	10.0	9.9	9.9	9.3	8.8
CIS & Others	118.0	124.0	116.0	111.6	123.8	138.3	158.0

*Sales volume in the China Division (China, Hong Kong and Macau) were included in 2000 and 2001, but excluded from 2002 to 2006

Net Sales Excluding Taxes per Thousand Cigarettes

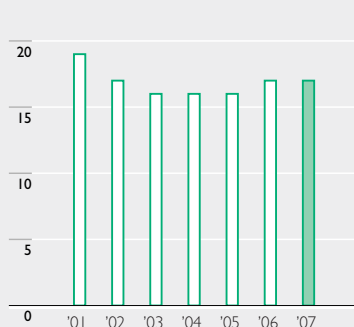
(U.S. Dollars)



Years ended December 31	2000	2001	2002	2003	2004	2005	2006
Net Sales Excluding Taxes per Thousand Cigarettes	14.4	14.0	15.0	17.4	18.6	19.9	19.7

*Net sales in the China Division (China, Hong Kong, and Macau) were included in 2000 and 2001, but excluded from 2002 to 2006

Number of International Factories

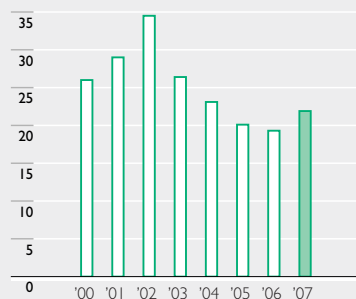


As of March 31	2001	2002	2003	2004	2005	2006	2007
Number of International Factories	19	17	16	16	16	17	17

Pharmaceutical Business

R&D Expense on a Non-consolidated Basis

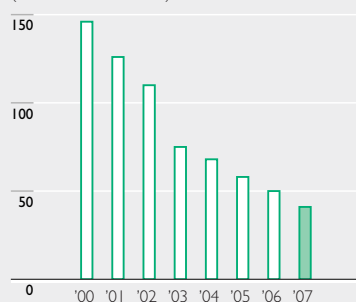
(Billions of Yen)



	Years ended March 31							
	2000	2001	2002	2003	2004	2005	2006	2007
□ R&D Expense on a Non-consolidated Basis	26.0	29.0	34.5	26.4	23.1	20.1	19.3	21.9

Royalty Income from Viracept®

(Millions of U.S. Dollars)



	Years ended March 31							
	2000	2001	2002	2003	2004	2005	2006	2007
□ Royalty Income from Viracept®	146	126	110	75	68	58	50	41

Clinical Development

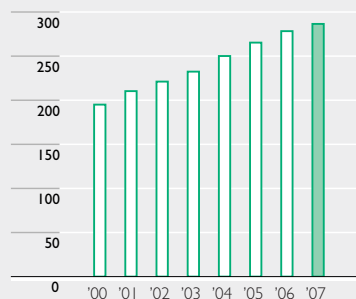
As of April 27, 2007

Code	Stage	Indication	Mechanism	Rights
JTT-705 (oral)	Phase I (JPN)	Dyslipidemia	CETP inhibitor	Roche (Switzerland) obtains the rights to develop and commercialize this compound worldwide, with the exception of Japan.
JTT-130 (oral)	Phase II (JPN) Phase II (Overseas)	Hyperlipidemia	MTP inhibitor	
JTK-303 (oral)	Phase I (JPN)	HIV	Integrase inhibitor	Gilead Sciences (U.S.) obtains the rights to develop and commercialize this compound worldwide, with the exception of Japan.
JTT-302 (oral)	Phase II (Overseas)	Dyslipidemia	CETP inhibitor	
JTT-305 (oral)	Phase II (JPN) Phase I (Overseas)	Osteoporosis	CaSR antagonist	
JTT-551 (oral)	Phase I (JPN) Phase I (Overseas)	Type 2 diabetes mellitus	PTP1B inhibitor	
JTT-552 (oral)	Phase I (JPN)	Hyperuricemia	URAT1 (Urate Transporter 1) inhibitor	

Foods Business

Net Sales

(Billions of Yen)

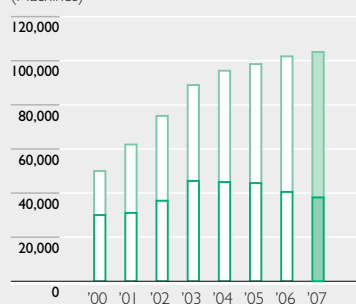


Years ended March 31	2000	2001	2002	2003	2004	2005	2006	2007
Foods Business	195.0	210.3	221.1	232.4	250.1	265.3	278.3	286.5
Processed Foods*	—	41.6	48.0	60.0	73.6	87.8	93.0	95.7
Beverages	—	165.4	173.1	172.3	176.5	177.4	185.3	190.7

*From FY2003, JTDS and HANS were included in Processed Foods, and the data for was adjusted 2002. Sales figures of Processed Foods prior to FY2002 are not comparable

Number of Marking / Combined Vending Machines

(Machines)



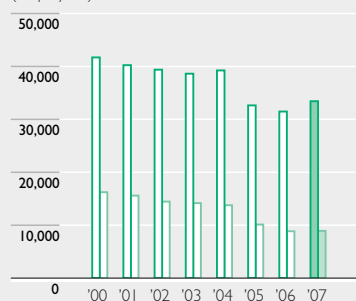
Years ended March 31	2000	2001	2002	2003	2004	2005	2006	2007
Vending Machines	—	—	190,000	201,000	211,000	226,000	237,000	250,500
JT-Owned	30,000	31,000	36,500	45,500	45,000	44,500	40,500	38,000
Combined	20,000	31,000	38,500	43,500	50,500	54,000	61,500	66,000

*Number of vending machines includes machines operated by JT's affiliates and cup vending machines. Combined vending machines focus on JT brand beverages but also sell non-JT brand beverages

Number of Employees

Number of Employees

(Employees)



As of March 31	2000	2001	2002	2003	2004	2005	2006	2007
Total	41,703	40,237	39,387	38,628	39,243	32,640	31,476	33,428
Tobacco Business	32,367	30,894	29,860	28,946	28,504	24,350	11,795	11,534
Domestic							11,943	12,401
International								
Pharmaceutical Business	1,682	1,670	1,580	1,530	1,551	1,566	1,532	1,554
Foods Business	3,397	3,654	4,097	4,581	5,409	5,357	5,232	7,084
Other Business	3,093	2,820	2,707	2,437	2,608	706	604	461
Corporate	1,164	1,199	1,143	1,134	1,171	661	370	394

*Number of employees is counted at working basis, unless otherwise indicated

As of March 31	2000	2001	2002	2003	2004	2005	2006	2007
Number of Employees (parent company)	16,235	15,588	14,462	14,172	13,769	10,124	8,855	8,930
Number of Employees Based on Enrollment (parent company)	20,194	19,355	17,815	17,272	16,690	11,300	9,931	9,984
As of December 31	1999	2000	2001	2002	2003	2004	2005	2006
JT International (Thousands of Employees)	13.0	11.8	11.7	11.6	11.9	12.0	—	—

*From FY2006, the data is disclosed as those of international tobacco business