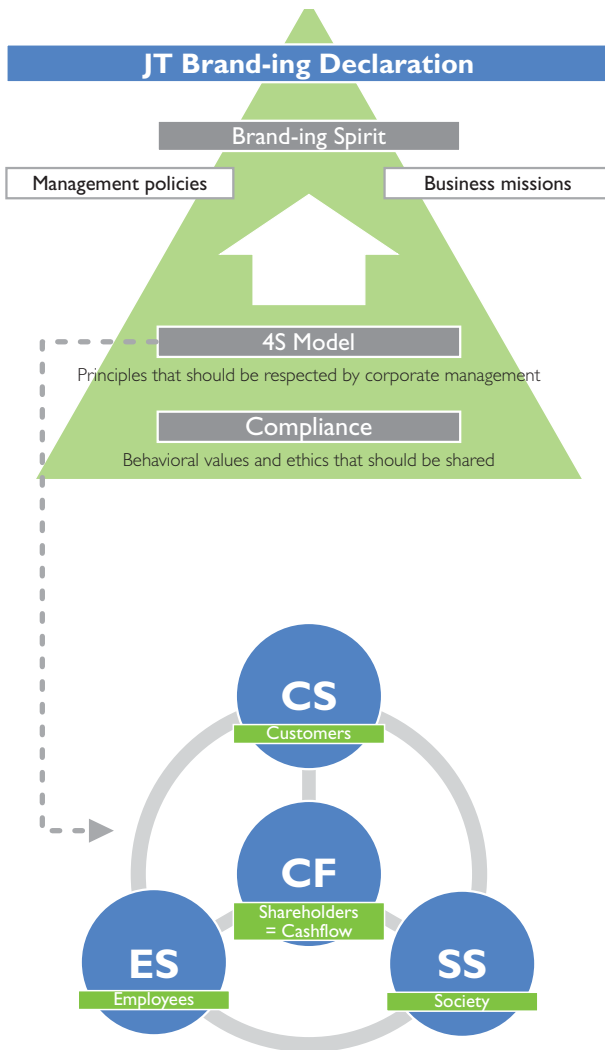


# Towards Achieving Our Corporate Vision



Through various activities, we are committed to providing all of our stakeholders with a unique added value that JT alone can deliver as a surprise and delight that exceeds expectations.

We are striving to fulfill this commitment through an initiative called “Brand-ing,” in a bid to become an essential partner of society.



## JT Brand-ing Declaration (Established in 2002)

Clear commitment to providing all of our stakeholders with a unique added value that JT alone can deliver as a surprise and delight that exceeds expectations.

- We aim to become a “Global Brand-ing Company” that develops unique brands that are trusted and respected by our customers.
- We believe that our most significant assets are those unique product brands and “JT” itself, which pursues developing the brands, as the unified corporate brand.
- We commit ourselves to use management resources to continually build our brands and keep them fresh.
- We are committed to developing and increasing the value of the “JT” brands as well as our product brands with pride.

## 4S Model

By circulating and expanding funds generated by high-quality business activities, JT is committed to fulfill—to the best of its ability and in a fair and balanced manner—its responsibilities to its shareholders, customers, employees and society and to ensure their satisfaction with JT’s performance.

- **CS** JT seeks to understand its customers’ needs in depth, and to meet these needs by continuing to offer attractive goods and services.
- **ES** JT offers attractive positions to talented people who have ability, drive and a sense of responsibility.
- **SS** Through its business activities based on high ethical standards, JT intends to become a good corporate citizen welcomed by both global and regional communities.
- **CF** Economic achievement constitutes the basic common language of the organization. Business structure is continually reviewed and reformed to raise corporate adaptability to the ever-changing environment.

## Corporate Image (Long-term Vision)

— A global growth company that develops diversified, value-creating businesses —

Domestic Tobacco Business	International Tobacco Business	Pharmaceutical Business	Foods Business
<ul style="list-style-type: none"> <li>Overwhelm the competition in the home country market as "the core source of profits."</li> </ul>	<ul style="list-style-type: none"> <li>Attain a sustainable leadership position in profitability and or market-share within a growing number of markets, and continue to be "the driving force for profit growth."</li> </ul>	<ul style="list-style-type: none"> <li>Continuously deliver profits based on a strong foundation as a core business.</li> </ul>	<ul style="list-style-type: none"> <li>Establish a global competitive advantage as an integrated foods manufacturer.</li> </ul>

## Goals under "JT2008" Medium Term Management Plan and Progress Status

— Aim to achieve long-term sustainable growth while overcoming challenges in operating environment —

Performance of the JT Group as a Whole	Allocation of Resources						
<ul style="list-style-type: none"> <li>Group-wide EBITDA for FY 3/2009: Aim to exceed FY 3/2006 result by approximately 20 billion yen.</li> <li>* JT2008 is based on organic growth and not on the premise of large-scale M&amp;A figures.</li> </ul> <p><b>EBITDA</b></p> <table border="1"> <tr> <td>FY 3/2006</td> <td>¥433.4 billion</td> </tr> <tr> <td>FY 3/2007</td> <td>¥464.6 billion</td> </tr> <tr> <td>FY 3/2008</td> <td>¥602.1 billion</td> </tr> </table>	FY 3/2006	¥433.4 billion	FY 3/2007	¥464.6 billion	FY 3/2008	¥602.1 billion	<ul style="list-style-type: none"> <li>Actively pursue growth opportunities by acquiring external resources, especially in the international tobacco business and foods business.</li> </ul> <p><b>Major acquisition deals</b></p> <hr/> <p>Acquired Gallaher Group Plc in April 2007 as a wholly owned subsidiary. Successfully completed a tender offer for Katokichi Co. in December 2007 and made the company a wholly owned subsidiary in April 2008.</p> <hr/> <p>Acquired Fuji Foods in April 2008 as a wholly owned subsidiary.</p>
FY 3/2006	¥433.4 billion						
FY 3/2007	¥464.6 billion						
FY 3/2008	¥602.1 billion						

Domestic Tobacco Business	International Tobacco Business	Pharmaceutical Business	Foods Business												
<ul style="list-style-type: none"> <li>As "the Core Source of Profits", Aim to Maintain the Profit Level attained during the "JT PLAN-V" period.</li> </ul> <p><b>EBITDA</b></p> <table border="1"> <tr> <td>FY 3/2006</td> <td>¥305.8 billion</td> </tr> <tr> <td>FY 3/2007</td> <td>¥326.5 billion</td> </tr> <tr> <td>FY 3/2008</td> <td>¥306.7 billion</td> </tr> </table>	FY 3/2006	¥305.8 billion	FY 3/2007	¥326.5 billion	FY 3/2008	¥306.7 billion	<ul style="list-style-type: none"> <li>As "the Driving Force for Profit Growth", Continue Leading the industry in organic growth.</li> </ul> <p><b>EBITDA*</b></p> <table border="1"> <tr> <td>FY 3/2006</td> <td>USD925 million</td> </tr> <tr> <td>FY 3/2007</td> <td>USD1,090 million (up 18%)</td> </tr> <tr> <td>FY 3/2008</td> <td>USD2,452 million (up 125%)</td> </tr> </table> <p>* Before royalty payments to JT</p> <hr/> <p>Acquired Gallaher Group Plc in April 2007 as a wholly owned subsidiary.</p>	FY 3/2006	USD925 million	FY 3/2007	USD1,090 million (up 18%)	FY 3/2008	USD2,452 million (up 125%)	<ul style="list-style-type: none"> <li>Aim to advance its clinical compounds to higher phases of clinical study and enhance the R&amp;D pipeline.</li> </ul> <hr/> <p>Clinical development (as of May 1, 2008): 11 compounds</p>	<ul style="list-style-type: none"> <li>Establish foundations as an integrated foods manufacturer.</li> </ul> <hr/> <p>Made Katokichi and Fuji Foods wholly owned subsidiaries in April 2008.</p>
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